

General provide the executive and legislative branches with objective information for establishing fiscal and administrative policy for the state.

Prior to 1984-85, the Auditor General's Office was financed from the Contingent Funds of the Assembly and Senate. Chapter 1594, Statutes of 1984, as further modified by Ch 833/85, created the Auditor General Fund for the purpose of paying the costs of audits performed by the Auditor General.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The budget proposes an appropriation of \$10.3 million from the General Fund, which will be transferred to the Auditor General Fund for support of the Auditor General's Office in 1989-90. This is an increase of \$151,000, or 1.5 percent, over estimated current-year expenditures. This is the net result of several factors, including increases in personal services (\$431,000), and adjustments related to an unallocated reduction (\$197,000) and reimbursements (\$267,000) received in the current year which are not scheduled to occur in 1989-90. These increases are partially offset by various reductions in operating expenses and equipment (-\$744,000).

LEGISLATIVE COUNSEL BUREAU

Item 0160 from the General
Fund

Budget p. LJE 5

Requested 1989-90	\$31,620,000
Estimated 1988-89	29,469,000
Actual 1987-88	29,446,000
Requested increase (excluding amount for salary increases) \$2,151,000 (+7.3 percent)	
Total recommended reduction	None

1989-90 FUNDING BY ITEM AND SOURCE

Item—Description	Fund	Amount
0160-001-001—Support	General	\$21,010,000
Reimbursements	—	10,610,000
Total		\$31,620,000

GENERAL PROGRAM STATEMENT

The Legislative Counsel Bureau provides legal assistance to the members and committees of the Legislature. The bureau drafts bills, provides legal opinions and legal counsel, supplies attorney support for legislative committee hearings, and represents the Legislature in litigation. It also prepares indices and tables to identify legislative measures, and compiles and indexes statutes and codes. In addition, the bureau operates a data center which is used for the processing of legislative measures and for the payroll, personnel, accounting, and information systems maintained by both houses of the Legislature.

LEGISLATIVE COUNSEL BUREAU—Continued

The bureau has 402.5 personnel-years in the current year.

ANALYSIS AND RECOMMENDATIONS*We recommend approval.*

The budget proposes total expenditures of \$31.6 million for the Legislative Counsel Bureau in 1989-90. This amount includes a General Fund appropriation of \$21 million and \$10.6 million in reimbursements—primarily from the Assembly Contingent Fund.

Proposed expenditures are \$2.2 million, or 7.3 percent, higher than estimated expenditures in the current year. This increase represents additional staff positions and price increases. The new positions include (1) four new attorney positions and (2) 14 new computer programmer and analyst positions within the Legislative Data Center. These additional positions are partially offset by the reduction of five existing positions within the Legislative Data Center. We have reviewed the proposed expenditures and they appear reasonable.

JUDICIAL

Item 0250 from the General
Fund and various funds

Budget p. LJE 7

Requested 1989-90	\$128,715,000
Estimated 1988-89	110,321,000
Actual 1987-88	88,227,000
Requested increase (excluding amount for salary increases) \$18,394,000 (+16.7 percent)	
Total recommended reduction	2,517,000
Recommendation pending	1,015,000

1989-90 FUNDING BY ITEM AND SOURCE

Item—Description	Fund	Amount
0250-001-001—Support	General	\$128,150,000
0250-001-044—Support/Local Assistance	Transportation	119,000
0250-101-001—Local Assistance	General	243,000
Reimbursements		203,000
Total		\$128,715,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis
page

1. *Court-Appointed Counsel Program. Reduce Item 0250-001-001 by \$299,000.* Recommend a reduction because attorney fees are overbudgeted. Further recommend that the Judicial Council report to the Legislature on the cost of administrative functions performed for the program. 9
2. *Supreme Court Central Staff.* Recommend that eight positions be continued on a limited-term basis through 1989-90 because recent hiring does not allow evaluation of their effectiveness. 11

3. ***Trial Court Delay Reduction Program. Reduce Item 0250-001-001 by \$291,000.*** Recommend a reduction in additional staffing because the proposed activities were not approved or required by the Legislature. 11
4. **STATSCAN.** Withhold recommendation on \$342,000 requested to expand Judicial Council support activities pending receipt of additional information. 13
5. **Assigned Judges Program.** Withhold recommendation on \$673,000 requested for the services of judges on assignment pending receipt of additional workload data. 14
6. ***Circuit Justice Court Judges. Reduce Item 0250-001-001 by \$1,275,000.*** Recommend a reduction because the program expansion is premature, the need is uncertain, and the proposal represents a change to existing payment policy. Recommend further reduction because the existing program is overbudgeted. 14
7. ***Sacramento Facilities. Reduce Item 0250-001-001 by \$118,000.*** Recommend a reduction of \$118,000 for Supreme Court office space in Sacramento because the space will not be needed in the budget year. 16
8. ***San Francisco Facilities. Reduce Item 0250-001-001 by \$322,000.*** Recommend a reduction because relocation during the budget year will result in savings. 16
9. ***Lease Payments for Sacramento and Los Angeles Facilities. Reduce Item 0250-001-001 by \$92,000.*** Recommend a reduction to eliminate overbudgeting for facilities in Sacramento and Los Angeles. 17
10. ***Judicial Council Staffing. Reduce Item 0250-001-001 by \$120,000.*** Recommend a reduction because three positions are not justified on a workload basis. 17

GENERAL PROGRAM STATEMENT

The California Constitution vests the state judicial power in the Supreme Court, the courts of appeal, and the superior, municipal, and justice courts. The Supreme Court and the courts of appeal hear appeals from the trial courts, and have original jurisdiction over certain writs, such as habeas corpus.

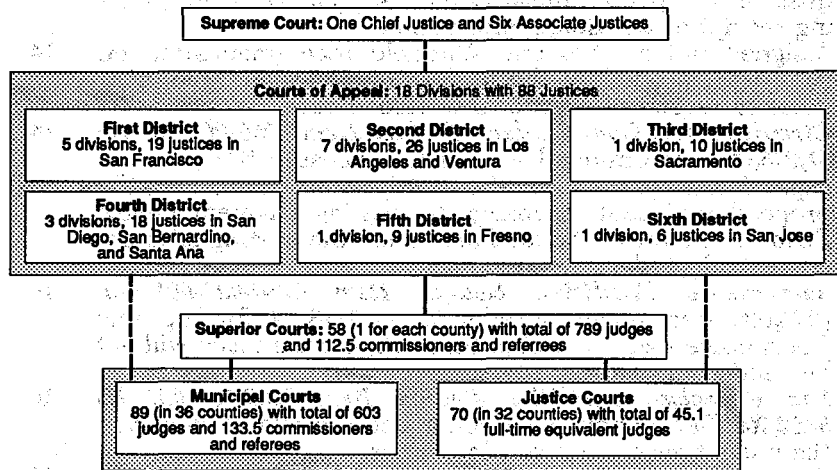
The Supreme Court and the six courts of appeal are entirely state supported. Under the Trial Court Funding Program, the state also provides a significant amount of funding for the trial courts in participating counties, while the counties bear the remainder of these costs.

Fines, fees, and forfeitures collected by the trial courts are currently deposited in each county's general fund, and then distributed to the cities, the county, districts, and state special funds, as required by law. Fees collected by the courts of appeal and the Supreme Court are deposited in the state's General Fund.

Chart 1 displays the structure of the California court system. The chart also shows the lines of appeal and review within the courts.

JUDICIAL—Continued

Chart 1

California Court System^a

———— Line of Appeal

----- Line of Discretionary Review

^a Source: Administrative Office of the Courts. Total number of judicial positions assumes all counties participate in the Trial Court Funding Program and includes judgeships requiring local authorization. Number of courts and positions as of December 30, 1988.

The Trial Court Funding Program

The Trial Court Funding Program, enacted by Ch 945/88, the Brown-Presley Trial Court Funding Act (SB 612), provides for the state to assume primary responsibility for funding the operations of the trial courts in counties that choose to participate in the program. This program was originally established by Ch 1607/85 (AB 19) and modified by Ch 1211/87 (SB 709). Chapter 944/88 (AB 1197) appropriated funding to implement the program on a half-year basis during the current year, beginning January 1, 1989. The Governor's Budget estimates that in 1989-90, the state will incur General Fund costs of approximately \$433 million for this program. The increased state assistance takes the form of block grants to fund trial court operating expenses and increased state participation in the funding of judges' salaries. Proposed funding for these purposes is included in Item 0450.

Chapter 945 also provided for an annual Budget Act appropriation to the Trial Court Improvement Fund, from which the Judicial Council would award grants for projects to improve court management and efficiency. In 1988-89, Chapter 944 appropriated \$1 million for this fund. The proposed budget does not include an appropriation for this purpose in 1989-90.

As a condition of participating in the Trial Court Funding Program, counties must forgo state payment of existing annual \$60,000 block grants for superior court judgeships. Participating counties must also agree to forgo state reimbursement for state-mandated programs in the trial courts, and to waive their rights to seek reimbursement funding for other existing but not yet funded mandated programs.

Judicial Council

The Judicial Council consists of the Chief Justice (chairperson), one other Supreme Court justice, three court of appeal justices, five superior court judges, three municipal court judges, two justice court judges, four members of the State Bar, and one member of each house of the Legislature. The council is staffed by the Administrative Office of the Courts. As required by the State Constitution, the council seeks to improve the administration of justice by (1) surveying judicial business, (2) making appropriate recommendations to the courts, the Governor, and the Legislature, and (3) adopting rules for court administration, practice, and procedure. The council also provides education for both newly appointed and continuing judges through the Center for Judicial Education and Research.

Commission on Judicial Performance

The Commission on Judicial Performance receives, investigates, holds hearings on, and makes recommendations to the Supreme Court on complaints relating to the qualifications, competency, and conduct of the judiciary.

The state judicial programs have 938.9 personnel-years in the current year.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes appropriations of \$128.7 million from the General Fund (\$128.4 million), the State Transportation Fund (\$119,000), and reimbursements (\$203,000) for support of judicial functions in 1989-90. This is an increase of \$18.4 million, or 17 percent, above estimated current-year expenditures.

Table 1 shows the budget program for judicial functions in the prior, current, and budget years.

Table 1
State Judicial Functions
Budget Summary
1987-88 through 1989-90
(dollars in thousands)

	<i>Actual</i>	<i>Est.</i>	<i>Prop.</i>	<i>Percent Change From</i>
	<i>1987-88</i>	<i>1988-89</i>	<i>1989-90</i>	<i>1988-89</i>
Program Expenditures				
Supreme Court.....	\$10,993	\$12,783	\$14,546	13.8%
Courts of Appeal.....	58,328	72,470	84,830	16.9
Judicial Council.....	18,079	22,588	27,936	23.7
Commission on Judicial Performance.....	818	1,057	1,160	9.7
Local Assistance.....	9	1,423	243	-82.9
Totals.....	\$88,227	\$110,321	\$128,715	16.7%
Funding Sources				
General Fund.....	\$88,071	\$107,398	\$128,393	19.6%
Special Account for Capital Outlay.....	—	1,717	—	-100.0
Motor Vehicle Account, State Transportation Fund.....	60	60	119	98.3
Trial Court Improvement Fund.....	—	1,000	—	-100.0
Reimbursements.....	96	146	203	39.0
Personnel-Years				
Supreme Court.....	106.4	118.6	120.5	1.6%
Courts of Appeal.....	548.1	618.0	629.0	1.8
Judicial Council.....	158.3	189.5	225.3	18.9
Commission on Judicial Performance.....	10.3	12.8	12.8	—
Totals.....	823.1	938.9	987.6	5.2%

JUDICIAL—Continued

Table 2 identifies (by funding source) the changes in the Judiciary's expenditure levels proposed for 1989-90.

Table 2
Judiciary
Proposed 1989-90 Budget Changes
(dollars in thousands)

	<i>General Fund</i>		<i>Special Funds^a</i>	<i>Reimbursements</i>	<i>Total</i>
	<i>State Operations</i>	<i>Local Assistance</i>			
1988-89 Expenditures (Revised)	\$106,975	\$423	\$2,777	\$146	\$110,321
Workload Adjustments					
Appointed counsel	9,931	—	—	—	9,931
Assigned judges	710	—	—	—	710
Judicial Council staffing	592	—	61	—	653
Courts of Appeal staffing	452	—	—	—	452
Facilities operation	448	—	—	—	448
Publications	289	—	—	—	289
Coordination of civil cases	125	—	—	—	125
Supreme Court clerk staffing	54	—	—	—	54
Subtotals	(\$12,601)	—	(\$61)	—	(\$12,662)
Cost Adjustments					
Employee compensation	3,774	—	—	—	3,774
One-time cost reductions	-2,420	—	—	—	-2,420
Merit salary adjustments	818	—	—	—	818
Salary savings adjustment	320	—	—	—	320
Other adjustments	-558	—	-2	—	-560
Subtotals	(\$1,934)	—	(-2)	—	(\$1,932)
Program Adjustments					
Data processing	1,997	—	—	—	1,997
Capital outlay-San Francisco	—	—	-1,717	—	-1,717
Circuit court judges	1,171	—	—	—	1,171
Trial court improvements	—	—	-1,000	—	-1,000
Court security	920	—	—	—	920
Judicial Council staffing	900	—	—	—	900
Family court services	838	—	—	—	838
Limited-term programs	-662	—	—	—	-662
Supreme Court staffing	560	—	—	—	560
Courts of Appeal staffing	501	—	—	—	501
Judicial training	410	—	—	—	410
Expiring legislation	-139	-180	—	—	-319
Supreme Court publications	85	—	—	—	85
Cmsn. on Judicial Performance	59	—	—	—	59
Drunk driving grant	—	—	—	57	57
Subtotals	(6,640)	(-180)	(-2,717)	(57)	(3,800)
1989-90 Expenditures (Proposed)	\$128,150	\$243	\$119	\$203	\$128,715
Changes from 1988-89					
Amount	\$21,175	-180	-2,658	\$57	\$18,394
Percentage	19.8%	-42.6%	-95.7%	39.0%	16.7%

^a Includes special accounts in the General Fund.

As Table 2 indicates, workload adjustments represent \$12.6 million, or 69 percent, of the net change in the proposed judicial budget. Most of this increased workload is in the court-appointed counsel program (\$9.9 million). This increase results from additional criminal cases before the appellate courts in which defendants are indigent and require appointed counsel. Table 2 also shows a decrease of \$2.7 million from Special Funds. This decrease is caused by a current-year reappropriation of funding for judicial facilities in San Francisco (\$1.7 million), and a current-year appropriation to the Trial Court Improvement Fund (\$1 million). The budget does not include an appropriation to the Trial Court Improvement Fund in the budget year.

ANALYSIS AND RECOMMENDATIONS

Court-Appointed Counsel Program Overbudgeted

We recommend a reduction of \$299,000 from the General Fund for the court-appointed counsel program because the amount requested for attorney fees is overbudgeted. We further recommend that prior to budget hearings the Judicial Council report to the Legislature on the cost of administrative functions performed for the program. (Reduce Item 0250-001-001 by \$299,000.)

The budget proposes \$32.5 million for the court-appointed counsel program in 1989-90. This is an increase of \$9.9 million, or 44 percent, above estimated current-year expenditures. Under this program, attorneys appointed by the court defend indigent criminal appellants in the Supreme Court and the courts of appeal. The total court-appointed counsel caseload is divided between these attorneys and the State Public Defender. (For greater discussion of the workload of the State Public Defender, please refer to our analysis of Item 8140.)

Chart 2 displays the percentage of the Judicial budget and the budgets of the Supreme Court and the courts of appeal that this program will represent in 1989-90.

The budget requests additional funding for three aspects of the court-appointed counsel program: fees for private attorneys (\$6.5 million), contracts for appointed-counsel administrators (\$3.3 million), and the administrative costs of the Judicial Council (\$133,000).

Fees for Private Attorneys Overbudgeted. The budget proposes \$20.9 million for fees paid to court-appointed attorneys in 1989-90, an increase of \$6.5 million. Of this augmentation, \$5.9 million is requested for the compensation of attorneys in the courts of appeal. The remaining \$600,000 is requested for the compensation of attorneys in the Supreme Court.

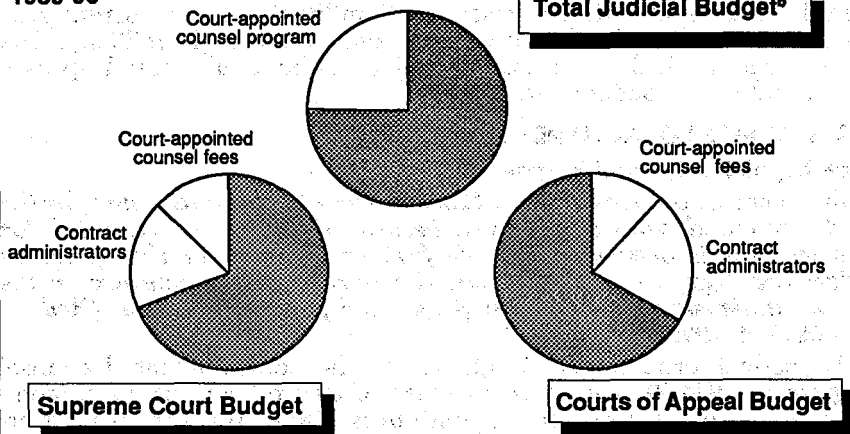
Our analysis indicates that the caseload projections used to justify this request are reasonable. However, using the most recent figures for the number of hours and expenses approved per case, our analysis also indicates that the amount proposed for payments to private attorneys is overbudgeted by \$299,000. Accordingly, we recommend that the judicial budget be reduced by \$299,000 in order to eliminate overbudgeting for the services of court-appointed counsel in the appellate courts.

JUDICIAL—Continued

Chart 2

Court-Appointed Counsel Program Costs As A Share of Judicial Budgets^a

1989-90



^a Does not include the costs of administrative functions performed by the Supreme Court, the courts of appeal, and the Judicial Council.

^b Total judicial budget includes budgets of the Supreme Court, the courts of appeal, the Judicial Council, and the Commission on Judicial Performance.

Contract Amounts for Appointed-Counsel Administrators Appear Warranted. The budget proposes \$9.8 million for contracts with organizations to provide administrative and oversight services to the private attorneys appointed by the court in 1989-90, an increase of \$3.3 million over current-year expenditures. A total of \$2.7 million of the increase is requested for costs of services performed for cases before the courts of appeal and \$600,000 is requested for these services for cases heard by the Supreme Court.

Our review of the amounts requested to support contract administrators indicates that the proposed expenditures appear reasonable.

Additional Information Needed About Program Administration Costs of the Judicial Council and the Courts. The budget requests \$133,000 to add 3.5 positions to the staff of the Judicial Council for purposes of the court-appointed counsel program. Specifically, the council proposes the addition of an accounting specialist, an audit technician, and 1.5 office assistants to process compensation claims and generally gather fiscal and management information about the program. While the data available to us at the time this analysis was written appears to justify additional staff, the Judicial Council has been unable to specify the staffing resources currently devoted to this program.

We have asked the Judicial Council to provide to us the annual cost of all of the staff, equipment, and operating expenses dedicated to this

program by the Supreme Court, the courts of appeal, and the council. At the time this analysis was written, the council could not detail these costs for the Legislature.

While we acknowledge that determining the precise level of services dedicated to this program is difficult, we believe that additional information about the administrative functions currently performed by the Judicial Council and the courts is necessary for several reasons. First, this information would allow the Legislature to assess the total costs of the program. Second, the information would enable the Legislature to better understand the functions performed at each level of oversight and review by the courts and the council. Finally, adding the administrative costs to the attorney fees and contract costs already identified (please see Chart 2) would permit the Legislature to determine the cost of each case requiring appointed counsel. This figure would be useful in such ways as comparing the per-case costs of cases handled by private attorneys and those handled by the State Public Defender.

Consequently, we recommend that the Judicial Council estimate the cost of the administrative functions performed by the Supreme Court, the courts of appeal, and the council for the court-appointed counsel program and provide the information to the Legislature prior to budget hearings.

Permanent Establishment of Additional Central Staff Positions is Premature

We recommend that eight central staff positions be continued on a limited-term basis through 1989-90 because recent hiring does not allow an accurate evaluation of their effectiveness.

The budget proposes to establish on a permanent basis eight positions on the Supreme Court's central staff that were approved on a limited-term basis for the current year. The General Fund cost of these positions in the budget year is \$513,000.

In its 1988-89 budget request, the court proposed the addition of 17 positions to its central staff. This request resulted from a report issued in February 1988 by the Select Committee on Supreme Court Procedures, which recommended the expansion of the court's existing central staff in order to relieve the justices and their personal staff from evaluation of approximately 2,000 annual petitions in civil matters. During its deliberations on the 1988-89 budget, the Legislature approved eight of the requested positions (seven attorneys and one secretary) on a limited-term basis through June 30, 1989.

The Judicial Council advises that most of these positions became operative in mid-January 1989. We believe that the permanent establishment of these positions is premature until the court can accurately assess their impact on relieving the workload of the justices and their existing staff. Accordingly, we recommend that these positions be continued on a limited-term basis through 1989-90 in order to provide the Legislature with the information necessary to determine whether they should be made permanent.

Purposes Have Merit, But Proposed Staff Expansion Not Appropriate

We recommend a reduction of \$291,000 from the General Fund for additional staffing for delay reduction activities because the proposed activities were not approved or required by the Legislature. (Reduce Item 0250-001-001 by \$291,000.)

JUDICIAL—Continued

The budget requests \$436,000 from the General Fund for five positions to augment the Judicial Council's current efforts related to the Trial Court Delay Reduction Program. Two recent measures established and expanded the program, and directed the Judicial Council to provide specific assistance in order to decrease the time from filing to disposition of cases in the trial courts.

First, Ch 1335/86 (AB 3300) established pilot projects in nine superior courts in which specified civil cases are disposed of on an expedited basis, according to local rules adopted by each court. These projects began operation in 1988 and will conclude at the end of 1990. The measure also required the Judicial Council to perform the following functions:

- adopt statewide standards for the processing and disposition of both civil and criminal cases,
- collect and maintain statistics on the conformance of each superior court to the standards, and
- provide training for judges participating in the nine mandatory projects.

Second, Ch 1200/88 (AB 3830) allowed additional superior courts to establish delay reduction projects. Specifically, the measure permits superior courts in six counties to operate projects according to their own local rules. In addition, the measure allowed the superior court in any county that participates in the Trial Court Funding Program to implement a project. The Judicial Council is required to adopt uniform rules for use by these courts.

The Judicial Council advises that 9.5 of its staff positions are dedicated to delay reduction activities in the current year. Staff from the National Center for State Courts also provide technical assistance to the nine pilot project courts on a contract basis with the council.

The budget proposes to add five additional positions for the delay reduction efforts. As proposed, 1.5 of these new positions would provide assistance to the nine pilot projects. According to the Judicial Council, the work of the remaining 3.5 proposed positions would be distributed as follows:

- 2 positions to assist courts that elect to participate in the program,
- 0.5 position to support courts in extending existing projects to their criminal caseload, and
- 1 position to develop time standards for municipal and justice courts.

In our judgment, the current efforts of the Judicial Council to address the problems of delay in the trial courts that the Legislature identified in Chapter 1335 and Chapter 1220 are laudable. Notwithstanding the merit of the current delay reduction efforts, however, we are concerned that the council's request represents a program expansion beyond the level of activity authorized by the Legislature in Chapters 1335 and 1220. Specifically, neither Chapter 1335 or Chapter 1220 required that the program be extended from civil cases to criminal cases, or from the superior courts to municipal and justice courts. Yet the council proposes to add 1.5 positions for these activities.

Furthermore, we are concerned that the council has not accurately represented the costs of this program to the Legislature. Specifically, at the time Chapter 1220 was before the Legislature, the Judicial Council indicated that it would impose no additional costs. Yet the council now

proposes to add two positions on the basis of workload created by the measure.

In light of these concerns, we cannot recommend approval of all the positions that the council requests. Accordingly, we recommend that the request to augment existing delay reduction efforts be reduced by \$291,000, or 3.5 positions, because the Legislature did not authorize or approve the activities that the positions would perform.

More Information Needed to Evaluate STATSCAN Proposal

We withhold recommendation on \$342,000 requested from the General Fund to expand the support activities provided by the Judicial Council for the STATSCAN system pending receipt of additional information.

The budget requests \$342,000 to add five positions to the Judicial Council staff to expand the use of STATSCAN in the trial courts. STATSCAN is an automated data collection system that uses bar codes, scanners, and computers to store information about court filings and to generate workload statistics. The system is currently used by 31 courts to collect data about their workload and transmit this data to the Judicial Council. The budget proposes additional positions to *expand* the use of the system to all superior courts in order for the council to monitor their compliance with case processing time standards established by the council.

Currently, the Judicial Council is authorized five positions for the STATSCAN project. Since 1985-86, when the system was first installed in four courts, the state has spent \$2.6 million on this project. This amount includes approximately \$2 million for operating expenses and equipment. The largest one-year expenditure occurred in 1986-87, when the Legislature appropriated \$1.2 million for a pilot project involving 25 courts. The council originally expected the system to be implemented throughout the state during 1987-88.

We believe that the STATSCAN system could improve the data collection capabilities of the courts, and consequently, improve the administration of justice throughout the state. However, we are concerned that *expansion* of the project is premature because the Judicial Council has not evaluated the effectiveness of the existing STATSCAN system.

Specifically, the Judicial Council indicated that the pilot project conducted in 1986-87 would include: evaluation of the applicability of the bar code technology to various court environments, testing of various types of equipment, development of ways in which the council could compile and store the trial court data gathered by the system, and identification of savings that would result from use of the system. The council has not provided the results of that evaluation to the Legislature. Without an evaluation of the current project, we have no analytical basis for recommending further expansion of STATSCAN.

Consequently, we withhold recommendation on the amount requested to expand the STATSCAN project, pending receipt of additional information with which to assess the effectiveness of the existing project and the merit of the proposed expansion. Specifically, we request that the Judicial Council provide the following information prior to budget hearings:

1. The current status of the STATSCAN system in the trial courts.

JUDICIAL—Continued

2. An evaluation of the success of the pilot project.
3. The estimated annual savings to the state and the counties from better data collection and retrieval methods.
4. A recommendation regarding the appropriate sharing of project costs between the state and the counties.
5. The council's plans for the further development of the system and implementation throughout the state.

Better Workload Data Needed

We withhold recommendation on \$673,000 requested from the General Fund to pay for the services of judges on assignment to the courts of appeal and the superior courts pending receipt of additional workload data.

The budget requests \$1.8 million for the Assigned Judges Program (AJP) in 1989-90. This is an increase of \$673,000, or 58 percent, over the current fiscal year. This program allows the Judicial Council to assign judges to serve in appellate and trial courts when they are needed for a variety of reasons, including vacancy, illness, disqualification, and calendar congestion.

We question the methodology used by the council to project the number of assignments to be paid for by the state in the budget year. In estimating the number of assignments to the appellate and superior courts in 1989-90, the council extrapolated from four months of data in the current year based on projected filings in the courts of appeal. Using this methodology, the council projected increases in assignments of 5.6 percent to the appellate courts and 6.5 percent to the superior courts from 1988-89 to 1989-90.

We are specifically concerned about the council's projected need for assignments to the superior courts. In our view, appellate filings are an inappropriate measure of assignment need in the superior courts because they do not accurately reflect workload activity in the superior courts. The council acknowledges that this measure is problematic, and advises that more up-to-date and appropriate data will be available to justify the number of assignments it projects prior to legislative hearings on the budget request. Pending receipt of that information, we withhold recommendation on the Judiciary's request for \$673,000 in additional funding for the AJP.

Expenditures for Circuit Justice Court Judges Program Not Warranted

We recommend a reduction of \$1,275,000 requested for the Circuit Justice Court Judges Program because the proposed expansion is premature, the need is uncertain, and the proposal represents a change to the existing payment policy. We recommend further reduction because the existing program is overbudgeted. (Reduce Item 0250-001-001 by \$1,275,000.)

The budget requests an additional \$1.2 million from the General Fund to implement a major expansion of the Circuit Justice Court Judges Program (CJCJP). The current-year cost of the program is \$208,000. This program is currently a small portion of the Assignments Program, through which the Judicial Council allocates judicial services to courts in need of temporary assistance. (The Assigned Judges Program (AJP) discussed in the previous issue currently is the primary source for this

assistance.) The council proposes to expand this program from *4 judges* in the current year to *30 judges* in the budget year.

Under the CJCJP, participating part-time judges are required to serve on assignment in other courts, including justice, municipal, and superior courts, when the business of their home courts is completed. (As a practical matter, participants in the CJCJP are limited to justice court judges who have less than full-time schedules.) Currently, the state pays these justice court judges at the municipal court judge salary level only for their service on assignment to other justice courts.

We have three concerns about the proposed expansion. First, we are concerned that the proposal is premature until the Judicial Council completes a current study regarding possible restructuring of the municipal and justice courts. Second, we question whether the expansion is justified on a workload basis. Third, we are concerned that the expansion represents a change in the existing policy by which the state and the counties share responsibility for the costs of judicial service on assignment.

Proposal Premature Pending Outcome of Current Study. The Judicial Council is currently conducting a study regarding the potential restructuring of the municipal and justice courts. The results of this study may affect the workload of the justice courts and the availability of justice court judges for assigned service to other courts. The council advises that the study will not be completed until late 1989. As a result, it has placed other significant decisions affecting justice courts, including consolidations of justice courts, on hold pending the outcome of the study. We believe that the proposed expansion of the CJCJP also significantly affects the justice courts, and consequently, should be deferred until the study is completed and evaluated.

Need for the Program Expansion Questionable. It appears to us that this proposal is duplicative of the court's proposal to expand the AJP. While we have withheld on the dollar amount needed by the AJP to meet workload demand in the budget year pending the receipt of additional information, the justification for expanding both programs simultaneously has not been forthcoming. Moreover, the council has been unable to document the workload level which would justify the six-fold proposed expansion of this program.

Proposal Represents Change to Existing Payment Policy. Under existing law, the CJCJP provides *state* payment for the service of justice court judges only for the time they sit on assignment in other *justice* courts. This proposal would require the state to pay for the service of justice court judges on assignment to the superior and municipal courts as well.

We believe this proposed expansion represents a change from the existing policy for payment of assigned service, because existing law provides for the *counties* to pay for the services of judges on assignment to municipal courts. In effect, this proposal provides for the *state* to assume responsibility for paying these judges for their assigned service to the municipal courts, and therefore would differ significantly from current legislative policy. Given the recent funding changes which have already occurred with state assumption of trial court costs, we believe such policy changes should be considered first in separate legislation.

JUDICIAL—Continued

Accordingly, we recommend against the proposed expansion of the Circuit Justice Court Judges Program, for a General Fund savings of \$1.2 million.

Existing Program Overbudgeted. The budget proposes to continue funding for the existing program at the same level provided in the current year. In the current year, the state provides \$208,000 for the CJCJP. This level of funding is sufficient to support the participation of four judges.

However, the Judicial Council advises that only *two* judges actually serve in this program in the current year. Without expansion of the program as proposed, the council indicates these judges would remain the only program participants in the budget year. Consequently, the proposed budget contains funding for a level of service that is twice as great as will actually be provided in 1989-90 if our previous recommendation is adopted. Accordingly, we recommend that the budgeted amount be reduced by one-half, or \$104,000, to reflect overbudgeting.

In summary, we recommend against expansion of the existing program because the expansion is premature, the workload is uncertain, and the proposal represents a change to the existing payment policy. We also recommend elimination of overbudgeting in the existing program, for a General Fund savings of \$1,275,000.

Judicial Facilities for the Supreme Court in Sacramento Overbudgeted

We recommend a deletion of \$118,000 requested from the General Fund for Supreme Court office space in Sacramento because it will not be needed in the budget year. (Reduce Item 0250-001-001 by \$118,000.)

The budget proposes \$118,000 for permanent leased space for the Supreme Court in Sacramento. During the current year, the Judicial Council will relocate its offices in Sacramento from state-owned to privately-leased space.

As originally conceived, this relocation would have provided permanent office space for the Judicial Council's legislative staff *and* for the Supreme Court justices. However, because the Supreme Court holds sessions in Sacramento during only two weeks each year, the council intends to continue its current practice of sharing office space with the justices while the court is holding sessions in Sacramento. Our review indicates that the lease was revised accordingly and permanent space for the justices was eliminated. Nevertheless, the budget includes \$118,000 for the cost of leased space for justices' offices.

Consequently, we recommend that the budget request be reduced by \$118,000 to reflect revisions to the lease for additional judicial space in Sacramento.

Budget for San Francisco Facilities Fails to Account for Relocation During the Budget Year

We recommend a reduction of \$332,000 from the General Fund for facilities costs in San Francisco to reflect the savings that will result in the budget year from the relocation of the Supreme Court, First District Court of Appeal, and the Judicial Council. (Reduce Item 0250-001-001 by \$332,000.)

The budget requests \$1.7 million to house the Supreme Court, the First District Court of Appeal, and the Judicial Council in the San Francisco

State Building throughout 1989-90. The budget also proposes expenditures of \$50,000 for minor alterations to the courts' offices in that location during the budget year.

According to the Department of General Services (DGS), the Supreme Court, the First District Court of Appeal, and the Judicial Council will *relocate* from their present quarters in the San Francisco State Office Building to privately-owned leased space in the budget year. According to DGS, relocation of these judicial offices is scheduled for the end of April 1990. Consequently, the courts will pay for space at their current location for only 10 months of the budget year. Terms of the lease in the new privately-owned space provide that the courts will pay no rent for the first year of occupancy. Thus, the courts should realize a savings in facilities costs for two months—\$282,000.

In addition, our review indicates that the upcoming move makes alterations to the courts' current offices unnecessary. The Judicial Council could not identify any specific alterations that would need to be completed in the budget year at the existing facility. The elimination of the proposed alterations produces additional savings of \$50,000.

Accordingly, we recommend that the budget request be reduced by \$332,000 to reflect the relocation of judicial operations in San Francisco during 1989-90.

Lease Payments for Sacramento and Los Angeles Facilities Overbudgeted

We recommend a General Fund reduction of \$92,000 to eliminate overbudgeting for judicial facilities in Sacramento and Los Angeles. (Reduce Item 0250-001-001 by \$92,000).

The budget contains requests for additional payments for facilities in Sacramento and Los Angeles. The amounts included for both locations are overbudgeted. Specifically:

Sacramento: The budget proposes \$114,000 for new leased space for the Judicial Council. This figure is based on rental costs that are greater than those specified in the lease. We recommend that the budget amount be reduced by \$44,000 to provide funding consistent with the terms of the lease.

Los Angeles: The budget proposes \$84,000 for leased storage space for the Second District Court of Appeal. Our analysis indicates that the appropriate level of funding for this purpose is \$36,000. Accordingly, we recommend that the budgeted amount be reduced by \$48,000.

Positions Not Justified on Workload Basis

We recommend deletion of \$120,000 proposed for three Judicial Council positions because they are not justified on a workload basis. (Reduce Item 0250-001-001 by \$120,000.)

The budget proposes the addition of 37.3 positions to the staff of the Judicial Council in 1989-90. Our analysis indicates that two of the new positions requested are not justified on a workload basis and that an existing part-time position will not be necessary if a request for additional staff is approved.

Specifically, we recommend deletion of the following positions:

- *Accountant Specialist* requested to provide oversight of grants awarded by the Judicial Council from the Trial Court Improvement Fund (\$48,000). We recommend deletion of this position because the

JUDICIAL—Continued

budget does not include funding for the Trial Court Improvement Fund, and therefore, no grants will be awarded during the budget year for this position to oversee.

- *Office Assistant* requested to provide clerical assistance to the Assignments Unit (\$37,000). We recommend deletion of this position because the council bases its proposal on additional workload imposed by legislation that was not enacted and a program that we recommend should not be expanded.
- *Part-time Editor* who currently provides half-time support to the publication of a specific report (\$35,000). We recommend deletion of the position, because the council proposes the addition of one full-time editor whose responsibilities would include the activities that are currently performed by the part-time editor. Our analysis indicates that the workload justifies only one full-time position.

Supreme Court Reports on Affirmative Action and Equal Employment Opportunity Goals

The *Supplemental Report of the 1988 Budget Act* required the Judicial Council to report to the Joint Legislative Budget Committee and the Legislature's fiscal committees regarding the Supreme Court's affirmative action and equal employment opportunity goals. The council was specifically requested to include in this report information about the current composition of the court's staff, the recruitment and outreach efforts made by the court, and the efforts planned during the current year to bring the court closer to achieving its goals.

The council submitted its report to the Legislature in November 1988. Because it did not include data about the justices' personal staffs, which comprise nearly one-half of the court's staff positions, we subsequently requested additional information regarding these personnel. The information which we received now provides a complete picture of the composition of the court's workforce.

In its November 1988 report, the council states that the Supreme Court's affirmative action and equal opportunity goals are to reflect the composition of California's labor force within its own staff. Although the judicial branch is not required to adhere to personnel regulations of the executive branch, its goals are equivalent to the goals established for the state civil service system by the State Personnel Board (SPB). Chart 3 displays the figures used by the SPB to evaluate state agencies' performance in achieving parity with the private sector labor force. The SPB advises that it applies these parity figures within each job category and to all employment levels.

Supreme Court Reports that It Has Not Yet Achieved Its Goals. Information provided by the council indicates that the Supreme Court is only partially meeting its affirmative action and equal opportunity goals. Currently, the justices have 95 employees in six job categories. Chart 3 shows the representation of minorities and women on the court's staff in comparison to the private sector labor force parity figures used by the SPB.

Chart 3

**Female and Minority Representation
on the Staff of the California Supreme Court
As of December 31, 1988**

Number of Employees		CLASSIFICATION							
Statewide labor parity goals ^a		42.8%	17.2%	6.6%	3.6%	1.6%	0.7%	0.3%	0.2%
Officials and Managers	2	--	--	--	--	--	--	--	--
Professionals	54	44.4	--	1.9	1.9	--	--	--	--
Paraprofessionals	3	--	--	--	--	--	--	--	--
Technicians	2	50.0	--	50.0	--	--	--	--	--
Office and Clerical	31	67.7	9.7	16.1	9.7	9.7	--	--	--
Protective Service Workers	3	--	33.3	33.3	--	--	--	--	--
Totals	95	48.4	4.2	8.4	4.2	3.2	--	--	--
		Female	Hispanic	Black	Asian	Filipino	American Indian	Pacific Islander	Other Minorities

^a Source: State Personnel Board.

Minority Employment. The council reports that minorities are underutilized on the staff of the Supreme Court, as Chart 3 indicates. According to the council, the court's staff contains 19 minority employees, including 8 staff members who are black, 4 who are Asian, 4 who are Hispanic, and 3 who are Filipino. These staff members represent 20 percent of the court's total staffing complement. As Chart 3 shows, these employees are concentrated in three job categories. This concentration includes 14 minority staff members in the office and clerical category.

Female Employment. The council also reports that the representation of women on the court's staff is higher than the representation of women in California's private sector workforce in three of the six job categories. The council notes, however, that women are not represented in the remaining three categories. The council reports that 46 women are currently employed by the court. This number comprises 48 percent of the total number of staff.

Efforts by the Supreme Court to Achieve Its Goals. In its November 1988 report, the council described the court's efforts to bring the representation of minorities and women on its staff closer to its goal of labor force parity. These efforts include advertising job opportunities in publications with primarily minority audiences and with minority and women's organizations. Specifically, the council indicated that these efforts will be applied to recruit additional positions on the court's central staff that were authorized by the Legislature for the current year.

CONTRIBUTIONS TO JUDGES' RETIREMENT FUNDItem 0390 from the General
Fund

Budget p. LJE 13

Requested 1989-90.....	\$32,182,000
Estimated 1988-89	26,721,000
Actual 1987-88	25,711,000
Requested increase \$5,461,000 (+21 percent)	
Total recommended reduction.....	None

1989-90 FUNDING BY ITEM AND SOURCE

Item—Description	Fund	Amount
0390-001-001—Supreme and Appellate Court		
Judges		
—Budget Act Appropriation	General	\$1,631,000
—Government Code Section 75101	General	801,000
0390-101-001-Superior and Municipal Court		
Judges		
—Budget Act Appropriation	General	19,948,000
—Government Code Section 75101	General	9,802,000
Total		\$32,182,000

GENERAL PROGRAM STATEMENT

The Judges' Retirement Fund (JRF) provides benefits for those municipal, superior, appellate and supreme court judges, and their survivors, who are members of the Judges' Retirement System (JRS). This system is administered by the Public Employees' Retirement System (PERS).

The primary revenues deposited in the fund come from the following sources:

- *Active members' contributions*, equal to 8 percent of members' salaries;
- *Fees on civil suits* filed in municipal and superior courts; and
- *State General Fund appropriations*, which are equivalent to:
 - (a) 8 percent of judicial salaries, *plus*
 - (b) any amount necessary to cover JRS benefit payments made in a given year.

The JRF will pay out \$48 million in benefits in the budget year.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes four General Fund appropriations totaling \$32,182,000 as the state's contribution to the JRF in 1989-90. This amount consists of \$10,603,000 (equivalent to 8 percent of judicial salaries) in statutory contributions and \$21,579,000 in Budget Bill appropriations needed to meet the cost of projected benefit payments during 1989-90. Without the latter amount, the JRF—which has no reserve funding—would be insolvent. This is because receipts anticipated from other revenue sources will finance only about 53 percent of the benefit payments projected for the budget year. The proposed benefit payments are \$5.5 million, or 21 percent, more than the estimated payments in the current year.

Revenues and expenditures for the JRF in the prior, current and budget years are shown in Table 1.

Table 1
Judges' Retirement Fund
Revenues and Expenditures
1987-88 through 1989-90
(dollars in millions)

	<i>Expenditures</i>			<i>Percent Change from 1988-89</i>
	<i>Actual 1987-88</i>	<i>Estimated 1988-89</i>	<i>Proposed 1989-90</i>	
Beginning Reserves	\$3.4	\$3.3	\$1.5	-55.0%
Revenues				
State Contributions:				
Statutory 8 Percent	\$8.9	\$9.5	\$10.6	11.6%
Budget Act (deficiency)	16.5	16.6	21.3	28.3
Budget Act (administration)	0.2	0.3	0.3	—
Chapter 944, Statutes of 1988	—	0.3	—	-100.0
Subtotals, State Contributions	(\$25.6)	(\$26.7)	(\$32.2)	(20.6%)
Nonstate Contributions:				
Judges' Contributions	\$8.8	\$9.3	\$10.3	10.8%
Other "	4.6	4.5	4.7	4.4
Subtotals, Nonstate Contributions	(\$13.4)	(\$13.8)	(\$15.0)	(8.7%)
Totals, Revenues	\$39.0	\$40.5	\$47.2	16.5%
Expenditures:				
Benefits and others (net)	\$38.9	\$42.1	\$47.8	13.5%
Administrative costs	0.2	0.2	0.2	—
Totals, Expenditures	\$39.1	\$42.4	\$48.0	13.2%
Ending Resources	\$3.3	\$1.5	\$0.7	-53.3%

" Includes filing fees, investment income, and contributions from employers.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The proposed \$32 million in General Fund appropriations is needed to finance the cost of benefits expected to be paid by the JRS during 1989-90.

SALARIES OF SUPERIOR COURT JUDGES

Item 0420 from the General

Fund

Budget p. LJE 15

Requested 1989-90	\$65,127,000
Estimated 1988-89	79,596,000
Actual 1987-88	55,704,000
Requested decrease (excluding amount for salary increases) \$14,469,000 (-18 percent)	
Total recommended reduction	None
Recommendation pending	86,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONSAnalysis
page

1. Number of Judgeships Eligible for State Funding Uncertain. 23
Withhold recommendation on \$86,000 requested from the General Fund to provide payment for the salary and benefits of one judgeship, pending county notification of intent to participate in the Trial Court Funding Program.

GENERAL PROGRAM STATEMENT

The state provides approximately 90 percent of the salaries, plus the full cost of health benefits, to the state's superior court judges.

Currently, each county contributes \$5,500, \$7,500, or \$9,500 per year toward each of these judge's salary, depending on the county's population. The state pays the balance of each judge's salary, which is now set at \$84,765, and will increase to \$89,851 in 1989-90. The counties' share of total salary cost has not changed since 1955, when the program began.

The Trial Court Funding Program

Chapter 1211, Statutes of 1987 (SB 709), authorized 64 additional superior court judgeships. These judgeships become operative only if the counties in which they are located participate in the Trial Court Funding Program, which was implemented by Ch 944/88 (AB 1197) and Ch 945/88 (SB 612) and became effective January 1, 1989. Under the terms of the program, counties will receive block grants for court operating expenses, and block grant supplements for the state's share of the salaries of *municipal* and *justice* court judges, for each year in which they participate in the program. Unlike the block grants and block grant supplements, the state will continue to contribute toward the salaries and benefits of the *superior* court judgeships authorized by Chapter 1211, regardless of whether the counties remain in the program in subsequent years.

The Judicial Council advises that if all the positions become operative, the number of superior court judgeships statewide will total 789.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes an appropriation of \$65 million from the General Fund to pay approximately 90 percent of the salaries and the full benefits of superior court judges. This is a decrease of \$14.5 million, or 18 percent, below estimated current-year expenditures. This decrease is the net

result of salary adjustments which reflect the full-year costs of salary increases granted in the current year (\$5.8 million), and a technical adjustment related to the implementation of the Trial Court Funding Program during 1988-89 (-\$20.3 million). In the current year, half-year expenditures of \$20.3 million for municipal court judges' salaries are included in *this* budget item. For the budget year, an appropriation of \$43.5 million to cover these costs is included in Item 0450.

Table 1 summarizes expenditures for superior court judges' salaries and benefits, municipal court judges' salaries, and superior court assignments for the past, current, and budget years.

Table 1
State Expenditures for
Salaries and Health Benefits
for Superior Court Judgeships
and Salaries for Municipal Court Judgeships
1987-88 through 1989-90
(dollars in thousands)

	<i>Actual</i>	<i>Est.</i>	<i>Prop.</i>	<i>Percent Change From</i>
	<i>1987-88</i>	<i>1988-89</i>	<i>1989-90</i>	<i>1988-89</i>
<i>Program Expenditures</i>				
Superior court salaries	\$53,970	\$57,674	\$63,588	10.3%
Superior court health benefits	2,054	2,583	2,604	0.8
Municipal court salaries	—	20,339	—	-100.0 ^a
Superior court assignments	698	—	—	— ^b
Salary savings	-1,018	-1,000	-1,065	-6.5
Totals	\$55,704	\$79,596	\$65,127	-18.2%

^a Ch 944/88 amended the Budget Act of 1988 to provide state funding of municipal court judges' salaries in counties that participate in the Trial Court Funding Program in 1988-89. In 1989-90, funding for these salaries (\$43.5 million) appears as a supplement to the trial court funding block grants in Item 0450.

^b Although in past years funds were appropriated in this item for superior court assignments, beginning in 1988-89, funds have been appropriated in Item 0250 for that purpose.

ANALYSIS AND RECOMMENDATIONS

Number of Judgeships Eligible for State Funding Uncertain

We withhold recommendation on \$86,000 requested to fund the salary and benefits for one superior court judgeship, pending county notification of participation in the Trial Court Funding Program.

The proposed budget contains funding for the state contribution toward the salaries and benefits of 789 superior court judges. This level of funding is based on the assumption that all 58 counties will participate in the Trial Court Funding Program. *Our analysis indicates that the amount budgeted for the salaries and benefits of superior court judgeships is appropriate if all of the 64 judgeships created by Chapter 1211/87 become operative.*

In the current year, however, only 56 of the 58 counties are participating in the Trial Court Funding Program. The counties that are not participating are Madera and Santa Barbara. Of the two counties, Chapter 1211 authorized one additional superior court judgeship in Madera County. Because the county is not participating in the current year, this position will not become operative and will not receive state salary and benefit payments in 1988-89. However, the judgeship would

SALARIES OF SUPERIOR COURT JUDGES—Continued

become operative if the county elects to participate in any later year. At such time, the state would provide salary and benefit payments for that position.

At the time this analysis was written, Madera County had not notified the state of its intent to participate in the program during the budget year. That notification is due to the state by March 1. Accordingly, we withhold recommendation on \$86,000 requested to fund the state contribution toward the salary and benefits of one superior court judgeship created in Ch 1211/87, pending Madera County's notification of its intent to participate in the Trial Court Funding Program.

STATE BLOCK GRANTS FOR TRIAL COURT FUNDING

Item 0450 from the General
Fund

Budget p. LJE 16

Requested 1989-90	\$432,706,000
Estimated 1988-89	182,262,000
Actual 1987-88	—
Requested increase (excluding amount for salary increases) \$250,444,000 (+137 percent)	
Total recommended reduction	None

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. Funding for the Trial Court Funding Program Uncertain. 26
Recommend approval, pending receipt of additional information. Will advise the Legislature as to appropriate funding level once the information is received.
2. Budget Flexibility Needed. Recommend amendment to the 27
Budget Bill to provide payment of existing block grants for judgeships in specified counties.

GENERAL PROGRAM STATEMENT

The Trial Court Funding Program, enacted by Ch 945/88, the Brown-Presley Trial Court Funding Act (SB 612), provides for the state to assume primary responsibility for funding the operations of the trial courts in counties that choose to participate in the program. This program was originally established by Ch 1607/85 (AB 19) and modified by Ch 1211/87 (SB 709). Chapter 944, Statutes of 1988 (AB 1197), appropriated funding to implement the program on a half-year basis during the current year, beginning January 1, 1989.

The increased state assistance to the trial courts consists of four components: block grants to fund trial court operating expenses, block grant supplements for specified new judgeships, contributions toward the salaries of municipal court judges, and contributions toward the salaries of justice court judges.

State block grants will be disbursed to counties for superior, municipal, and justice court judges, and superior and municipal court commissioners and referees. The block grant amount will increase annually at the same

rate as the average percentage increase in state employees' salaries in the previous year. In 1989-90, the block grant amount will be \$224,720 per judge, commissioner, or referee.

Supplements to the block grants will be available to certain counties for specific judgeships created by Chapter 1211. That measure authorized 98 additional trial court judgeships. These positions become operative only if the counties in which they are located participate in the program. Participating counties that gained more than 10 judgeships in Chapter 1211 receive a block grant supplement for each judgeship in excess of that number. The supplement represents the difference between the county's average appropriation for court operations per judicial position in 1987-88 and the block grant amount. This supplement, calculated by the State Controller, will be available for four years and will decrease by 25 percent each year.

The Trial Court Funding Program also extends the current system of state participation in the salaries of superior court judges to the salaries of *municipal* and *justice* court judges. Each county that participates in the program will contribute \$5,500, \$7,500, or \$9,500 toward the salary of each judge, depending on the county's population. The state will pay the balance of each judge's salary, which will be \$82,054 in 1989-90. The state contribution will be prorated according to the full-time equivalency of each position.

As a condition of participating in the program, counties must forgo current state funding for certain purposes. Specifically, counties must forgo state payment of annual block grants of \$60,000 for certain judgeships. In addition, they must waive reimbursement for existing and future state-mandated costs relating to the trial courts and all other state mandated costs for which they had not submitted claims by September 16, 1988.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes expenditures of \$433 million to provide block grants for trial court operating expenses, block grant supplements for new judgeships, and contributions toward the salaries of municipal and justice court judges. The budgeted amount assumes that all 58 counties participate in the Trial Court Funding Program, and is based on an estimate of 1,682 judicial positions statewide, as follows:

- 789 superior court judgeships,
- 115.5 superior court commissioners and referees,
- 598 municipal court judgeships,
- 134 municipal court commissioners and referees, and
- 45.5 justice court judgeships.

Table 1 displays proposed expenditures for the Trial Court Funding Program in the budget year, by category.

STATE BLOCK GRANTS FOR TRIAL COURT FUNDING—Continued**Table 1**

**State Expenditures for
Trial Court Funding Program
1988-89 and 1989-90
(dollars in thousands)**

<i>Category</i>	<i>Est. 1988-89^a</i>	<i>Prop. 1989-90</i>	<i>Percent Change From 1988-89</i>
Block grants for for trial court funding	\$177,762	\$377,979	113%
Block grant supplement for new judgeships	4,500	7,875	75
Salaries of municipal court judges	(20,339) ^b	43,470	114
Salaries of justice court judges	—	3,382 ^c	— ^d
Totals	\$182,262	\$432,706	137%

^a Chapter 944/88 (AB 1197) appropriated funding for the program on a *half-year* basis beginning January 1, 1989.

^b Chapter 944/88 appropriated funding for the state payment of municipal court judges' salaries in 1988-89 in Item 0420. Beginning in 1989-90, this funding appears in Item 0450.

^c Chapter 945/88 (SB 612) provided for state payment of justice court judges' salaries to begin in 1989-90.

^d Not a meaningful figure.

As Table 1 indicates, proposed state expenditures for the Trial Court Funding Program are 137 percent, or \$250.4 million, greater than the estimated expenditures for this program in the current year. There are four main reasons for this increase. First, the program was funded on only a half-year basis during the current year. The budget, however, proposes full-year funding. In addition, the state payment of municipal court judges' salaries in the current year was appropriated in a different budget item, Item 0420. The budget proposes to appropriate funding for this component of the program in this item for 1989-90.

Third, the extension of state salary payments to justice court judges is scheduled to begin in the budget year. No funding was provided for this purpose during 1988-89. Finally, the amount of each block grant for the budget year is 6 percent higher on an annual basis than the amount provided in the current year. This increase reflects the percentage increase in state employees' salaries effective June 1, 1989.

ANALYSIS AND RECOMMENDATIONS**Appropriate Funding Level for the Trial Court Funding Program Uncertain**

We recommend approval of the amount of funding requested for the Trial Court Funding Program, pending receipt of additional information regarding county participation in the program and the State Controller's calculation of block grant supplements. At the time we receive this information, we will advise the Legislature as to the appropriate funding level.

The budget proposes expenditures of \$433 million for the Trial Court Funding Program in 1989-90. Our analysis indicates that the appropriate amount of funding is uncertain and depends on several factors.

County Participation Uncertain Until March 1. County decisions about whether to participate in the Trial Court Funding Program are critical to the fiscal estimate because the number of participating counties affects the number of block grants and block grant supplements

for new judgeships that must be provided, and the number of municipal and justice court judges for which state salary payments must be made. During the current year, 56 of the 58 counties are participating in the program. The number of counties that will participate during the budget year, however, will not be certain until March 1, when counties are required to notify the state of their intent to participate.

State Controller's Calculation of Block Grant Supplements for New Judgeships Not Complete. Block grant supplements are available to three counties which would have a total of 26 eligible judgeships, if the counties participate in the Trial Court Funding Program. These counties are: Los Angeles (12 eligible judgeships), San Diego (7 eligible judgeships), and Santa Clara (7 eligible judgeships). The supplement available for each position represents the difference between the county's average appropriation for court operations per judicial position in 1987-88 and the block grant amount. At the time this analysis was written, the State Controller's Office had not completed its calculation of the appropriate block grant supplement amount for each judgeship.

For these reasons, the amount necessary to finance the Trial Court Funding Program in 1989-90 is uncertain, and the amount proposed may be revised. Consequently, we recommend approval of the \$433 million proposed for the program at this time, pending receipt of additional information. We will advise the Legislature of the appropriate amount during legislative hearings on the budget.

Additional Budget Flexibility Needed

We recommend that the Legislature amend the Budget Bill to allow funds budgeted for the Trial Court Funding Program to be used to pay existing \$60,000 block grants for specified judgeships in counties that do not participate in the program.

The state traditionally has provided annual block grants of \$60,000 to counties for 225 superior court judgeships established since January 1, 1973, at an annual cost of \$13.5 million. As a condition of participating in the Trial Court Funding Program, counties must forgo state payment of these block grants. Counties that participate in the program during the current year will receive block grants of \$30,000 to reflect the implementation of the program on a half-year basis.

The budget proposal assumes that all counties will participate in the program during 1989-90, and that consequently, the state will provide no \$60,000 block grants. Therefore, the Budget Bill item for this purpose has been deleted. However, as we discuss above, county participation will not be certain until March 1, when notification is due to the state. If a county elects not to participate, it would remain eligible for the existing block grants. Yet the Budget Bill includes no mechanism for providing these block grants to counties that do not participate.

Accordingly, we recommend that the Legislature amend the Budget Bill to provide that the existing \$60,000 block grants for certain superior court judgeships in counties that do not participate, may be paid from the savings to the Trial Court Funding Program that arise if a county elects not to participate. Specifically, we recommend that the Legislature add Provision 2 to Item 0450-101-001 as follows:

2. Funds appropriated in this item for the purposes of the Trial Court Funding Program that are not needed because of a county decision not to participate

STATE BLOCK GRANTS FOR TRIAL COURT FUNDING—Continued

in the program may be expended to provide that county with the traditional \$60,000 block grant for each specified superior court judgeship.

**STATE BLOCK GRANTS FOR TRIAL COURT
FUNDING—REVERSION**

Item 0450-495 to the General
Fund

Budget p. LJE 17

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item reverts to the General Fund the unencumbered balance of the appropriation provided in Ch 944/88 (AB 1197) to the Court Funding Account to finance the Trial Court Funding Program on a half-year basis beginning January 1, 1989. That measure appropriated \$182.3 million from the General Fund to the Court Funding Account for payment of block grants and block grant supplements to participating counties.

The Department of Finance estimates that approximately \$2 million of the funds appropriated for these purposes will be reverted, primarily because two counties—Madera and Santa Barbara—have elected not to participate in the program during the current year. The actual amount that will be reverted depends on several factors, such as Santa Barbara County's eligibility to receive block grants for the last quarter of 1988-89, and the final number of judicial positions certified by the Judicial Council. Budget Bill language provides for the reversion of funds in the Court Funding Account on September 30, 1989.

NATIONAL CENTER FOR STATE COURTS

Item 0460 from the General
Fund

Budget p. LJE 18

Requested 1989-90	\$226,000
Estimated 1988-89	226,000
Actual 1987-88	99,000
Requested increase: None	
Total recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The budget proposes an appropriation of \$226,000 from the General Fund to finance California's membership in the National Center for State Courts. This is the same amount appropriated in the current year for this

purpose. The requested amount would provide for payment of 94 percent of California's assessment in the budget year.

Members of the center include all 50 states, four territories, and the District of Columbia. Membership in the center entitles California to judicial research data, consultative services, and information on the views of the various states on federal legislation and national programs affecting the judicial system. The assessment imposed on each member is based primarily on the state's population.

California's proposed payment represents approximately 2.4 percent of the center's annual operating budget. We have no analytical basis for determining what percentage of the center's operating budget should be paid by California.

GOVERNOR'S OFFICE

Item 0500 from the General

Fund

Budget p. LJE 18

Requested 1989-90	\$8,171,000
Estimated 1988-89	7,458,000
Actual 1987-88	6,915,000
Requested increase (excluding amount for salary increases) \$713,000 (+9.6 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The California Constitution grants the executive power of the state to the Governor, who is responsible for administering and enforcing state law. The Governor is elected to a four-year term, and receives an annual salary of \$85,000.

The Governor's Office has 84 personnel-years in the current year.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The budget proposes an appropriation of \$8.2 million from the General Fund for support of the Governor's Office in 1989-90. The proposed amount is \$713,000, or 9.6 percent, greater than estimated current-year expenditures. Table 1 provides a summary of the budget for the Governor's Office in the past, current, and budget years.