



May 1, 2023

Honorable Nancy Skinner, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review
Committee

Honorable Phil Ting, Chair
Assembly Budget Committee

Honorable Anthony Portantino, Chair
Senate Appropriations Committee

Honorable Chris R. Holden, Chair
Assembly Appropriations Committee

Section 28.00—State Court Facilities Construction Fund and Court Facilities Trust Fund Reimbursement Authority Increase

Pursuant to the provisions of Section 28.00, Budget Act of 2022, the following report is respectfully submitted.

The Department of Finance has received the attached section 28.00 applications from the Judicial Council for the purpose of increasing its State Court Facilities Construction Fund Reimbursement Authority by \$26,299,000 and Court Facilities Trust Fund Reimbursement Authority by \$2,316,000 to collect the total counties' share of costs for facility utilities and maintenance. Since counties operate as shared occupants within properties managed by the Judicial Council, this additional reimbursement authority is necessary to collect the counties' share of costs for increased utilities and maintenance expenditures in 2022-23.

This request meets the following criteria, as required in subdivision (b) of Section 28.00:

- The funds will be expended for the facility utilities and maintenance in shared facilities, which is consistent with state law.
- The funds are made available to the state under conditions permitting their use only for the specified purpose, and the additional expenditure proposed would apply to this specified funding purpose.
- Acceptance of the additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- The need exists to expend the additional funding during the current fiscal year because utility and maintenance costs have increased in the current fiscal year.

Finance concurs with the necessity of this change to the approved budget and requests a waiver of the 30-day review period from the above date to provide the Judicial Council with sufficient reimbursement authority to collect the counties' share of utilities and maintenance costs.

If you have any questions or need additional information regarding this matter, please call Mark Jimenez, Principal Program Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW

Director

By:



ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Honorable Mia Bonta, Chair, Assembly Budget Subcommittee No 5. on Public Safety
Honorable Maria Elena Durazo, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Gabriel Petek, Legislative Analyst (3)
Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office (2)
Christian Griffith, Chief Consultant, Assembly Budget Committee
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Jason Sisney, Assembly Speaker's Office (2)
Mark McKenzie, Staff Director, Senate Appropriations Committee
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee
Zlatko Theodorovic, Director of Budget Services, Judicial Council
Fran Mueller, Deputy Director of Budget Services, Judicial Council
Angela Cowan, Manager, Budget Services, Judicial Council
Heather Staton, Fiscal Supervisor, Judicial Council

Please report dollars in thousands.

DEPARTMENT Judicial Branch	ITEM NO./ FISCAL YEAR 0250-001-3037 2022-23	NOTIFICATION LETTER TO LEGISLATURE: <input checked="" type="checkbox"/> 30-DAY NOTICE <input type="checkbox"/> REQUEST WAIVER OF 30-DAY NOTICE
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PROGRAM TITLE PER GOVERNOR'S BUDGET:

0140 Judicial Council

FUNDING (SPECIFY FUND)	CURRENTLY BUDGETED	REQUESTED CHANGE (+) OR (-)	TOTAL
State Court Facilities Construction Fund (3037)	123,545,000	26,299,000	149,844,000
Reimbursement to fund 3037	-17,000,000	-26,299,000	-26,299,000

(Check appropriate boxes)

- The funds will be expended for a purpose that is consistent with state law (explain use of funds in Part A below).
- The funds are made available to the state under conditions permitting their use only for a specified purpose, and the additional expenditure proposed under this section would apply to that specified funding purpose (as supported by explanation for the purpose of the funds).
- Acceptance of additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- The need exists to expend the additional funding during the current fiscal year (explain in Part B below).
- This application is provided to Finance within 45-days of official notice of receipt of funds.
- Explanation of delayed notification to Finance is attached (required if 45-day notification period is exceeded).
- A copy of the official notice of fund availability is attached to this application.
- One-time expenditure.
- Ongoing commitment from this source (if checked, explain under Program Proposal).
- Matching funds required (if checked, explain under Program Proposal).
- Expenditure either supplements or supplants an existing state-funded program (if checked, explain under Program Proposal).

PART A: For what purpose will the funds be expended?

The funds will be used for facility maintenance costs, specifically to meet the Judicial Council's contractual obligation to maintain shared court facilities for projects identified in shared facilities has increased due to the additional deferred maintenance funds received in 2021 and 2022 resulting in the need for additional reimbursement authority to collect the county's share of the costs. Per the Joint Occupancy Agreements (JOA) between the Judicial Council and the counties, the Judicial Council, as the managing party, will make direct payment of all shared costs and the counties will reimburse the Judicial Council for its share of those costs.

PART B: Explain the need to expend the funds in the current fiscal year, including the consequence of waiting until budget year to expend the funds:

The number of projects identified in shared facilities has increased due to the additional deferred maintenance funds received in 2021 and 2022 resulting in the need for additional reimbursement authority to collect the county's share of the costs. Without the requested augmentation to reimbursement authority, the Judicial Council will be unable to accept any reimbursement payments for the work completed and will have to cover the costs incurred with state funds.

PROGRAM PROPOSAL (Attach additional information as necessary)

TITLE:

JUDICIAL COUNCIL AND COUNTY JOA

STATUTORY AUTHORITY: (state, federal, as appropriate)

Section 28.00(e), Budget Act of 2022

DESCRIPTION:

The Judicial Council makes direct payment for all shared costs in shared facilities and is reimbursed by the county as described in Part A.

JUSTIFICATION:

Request to increase reimbursement authority of \$26.3 million for Item 0250-001-3037, Program 0140 - Judicial Council, will offset costs the Judicial Council has incurred in meeting its contractual obligation to provide necessary maintenance and utilities in facilities shared with the counties. Therefore, additional authority is necessary to appropriately account for these receipts.

SUBMITTED BY:		APPROVED BY DEPARTMENT OF FINANCE:	
BUDGET OFFICER: Angela Cowan	DATE: 3/10/23	DATE SUBMITTED TO LEGISLATURE: 3/17/23	
DIRECTOR: Zlatko Theodorovic	DATE: 3/13/23	PPBA: Mark Jimenez	DATE: 3/13/23

Please report dollars in thousands.

DEPARTMENT Judicial Branch	ITEM NO./ FISCAL YEAR 0250-001-3066 2022-23	NOTIFICATION LETTER TO LEGISLATURE: <input checked="" type="checkbox"/> 30-DAY NOTICE <input type="checkbox"/> REQUEST WAIVER OF 30-DAY NOTICE
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PROGRAM TITLE PER GOVERNOR'S BUDGET:

0140 Judicial Council

FUNDING (SPECIFY FUND)	CURRENTLY BUDGETED	REQUESTED CHANGE (+) OR (-)	TOTAL
Court Facilities Trust Fund (3066)	197,306,000	2,316,000	199,622,000
Reimbursement to fund 3066	-13,400,000	-2,316,000	-15,716,000

(Check appropriate boxes)

- The funds will be expended for a purpose that is consistent with state law (explain use of funds in Part A below).
- The funds are made available to the state under conditions permitting their use only for a specified purpose, and the additional expenditure proposed under this section would apply to that specified funding purpose (as supported by explanation for the purpose of the funds).
- Acceptance of additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- The need exists to expend the additional funding during the current fiscal year (explain in Part B below).
- This application is provided to Finance within 45-days of official notice of receipt of funds.
- Explanation of delayed notification to Finance is attached (required if 45-day notification period is exceeded).
- A copy of the official notice of fund availability is attached to this application.
- One-time expenditure.
- Ongoing commitment from this source (if checked, explain under Program Proposal).
- Matching funds required (if checked, explain under Program Proposal).
- Expenditure either supplements or supplants an existing state-funded program (if checked, explain under Program Proposal).

PART A: For what purpose will the funds be expended?

The funds will be used for operational costs, specifically utility and facility maintenance costs, to meet the Judicial Council's contractual obligation to maintain shared court facilities. Per the Joint Occupancy Agreements (JOA) between the Judicial Council and the counties, the Judicial Council, as the managing party, will make direct payment of all shared costs and the counties will reimburse the Judicial Council for its share of those costs.

PART B: Explain the need to expend the funds in the current fiscal year, including the consequence of waiting until budget year to expend the funds:

The 2022-23 utility and facility maintenance funding for all facilities has increased resulting in the need for additional reimbursement authority to collect the counties share of costs. Without the requested augmentation to reimbursement authority, the Judicial Council will be unable to accept reimbursement payments for the work completed and will have to cover the costs incurred with state funds.

PROGRAM PROPOSAL (Attach additional information as necessary)

TITLE:

JUDICIAL COUNCIL AND COUNTY JOA

STATUTORY AUTHORITY: (state, federal, as appropriate)

Section 28.00(e), Budget Act of 2022

DESCRIPTION:

The Judicial Council makes direct payment for all shared costs in shared facilities and is reimbursed by the county as described in Part A.

JUSTIFICATION:

Request to increase reimbursement authority of \$2.3 million for Item 0250-001-3066, Program 0140 - Judicial Council, will offset costs the Judicial Council has incurred in meeting its contractual obligation to provide necessary maintenance and utilities in facilities shared with the counties. Therefore, additional authority is necessary to appropriately account for these receipts.

SUBMITTED BY:		APPROVED BY DEPARTMENT OF FINANCE:	
BUDGET OFFICER: Angela Cowan	DATE: 3/10/23	DATE SUBMITTED TO LEGISLATURE: 3/17/23	
DIRECTOR: Zlatko Theodorovic	DATE: 3/13/23	PPBA: Mark Jimenez	DATE: 3/13/23
