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Judicial Council Approves Cost Reductions in Facilities Program

SAN FRANCISCO—The Judicial Council today endorsed several cost-cutting measures for court construction while affirming its commitment to much-needed improvements in the judicial branch's statewide infrastructure. The council approved recommendations from the Court Facilities Working Group to cancel two construction projects in small counties and to seek cost-savings on others. The 25-member working group was appointed by the Chief Justice in July 2011 to oversee the judicial branch program and is headed up by Administrative Presiding Justice Brad R. Hill of the Court of Appeal, Fifth Appellate District.

"I'm pleased with the Judicial Council's endorsement of our recommendations," said Justice Hill. "In light of the state's fiscal crisis and the importance of our infrastructure needs, our working group had to put in a lot of work in a short period of time. Our work will be ongoing, but what the Council did today and what we've accomplished so far demonstrates the importance not only of judicial oversight but of having a statewide approach to these issues. Our working group represents different areas of the state, as well as a cross section of expertise."

Court construction actions

The Council:

- Canceled two courthouse projects—in Alpine and Sierra counties, given their relatively high costs and small caseloads. The council directed staff to determine how improvement needs in these two courts could be addressed in future years as facility modifications, as funding is available. Canceling these two projects will save more than \$50 million.
- Endorsed a plan for proceeding with most courthouse projects funded under SB 1407. [The plan](#) enables 33 projects to proceed without delay this fiscal year, while 6 projects will be delayed by a few months, until the beginning of the next fiscal year, when revenue collected in the courts should again be available in the account that funds courthouse construction.
- Agreed to reduce budgets for all remaining SB 1407 projects by 4 percent and cut a program-wide contingency, resulting in over \$160 million in savings. Each project's construction budget will be cut by 2 percent, with another 2 percent cut reflecting savings to be achieved by implementing an owner-controlled insurance program. The program-wide contingency amount will be reduced from 4.6 to 3 percent of the total \$5 billion program.

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During the presentation to the council, Justice Hill also announced formation of a courthouse cost reduction subcommittee, to be chaired by Justice Jeffrey Johnson, Associate Justice of the Court of Appeal, Second Appellate District, in Los Angeles. The subcommittee will review all new courthouse projects for ways to further reduce costs without compromising safety or security. “We have already begun hearing suggestions from courts slated to get new courthouses on how to reduce the planned size of the buildings or other economies, given the current fiscal climate,” Justice Johnson said. “We look forward to working creatively with the courts and the AOC to take a fresh look at these projects for further savings.”

Courthouse maintenance actions

The council heard a presentation on the dire state of funding for courthouse repairs and maintenance by Judge David Edwin Power, chair of the Trial Court Facility Modification Working Group, and Judge William F. Highberger, a member of that group, which oversees repair funding decisions. Repair funding was cut 40 percent this fiscal year, to \$30 million, to cover repair needs in more than 500 buildings, with millions of square feet of court facilities statewide. Many buildings suffer from significant deferred maintenance—a legacy of neglect reaching back years before they were transferred to the state.

After this presentation, the council directed the AOC to seek additional funding through the Legislature for courthouse operations and maintenance and to pursue legislative measures that would give the judicial branch greater flexibility in allocating funds among various facility needs. “We need to keep in mind that 90 percent of court operations statewide occur in existing buildings that are not slated for replacement or major renovation,” Judge Highberger said. “As it stands today, even as we identify cost reductions in courthouse construction, we have no ability to reallocate those dollars to urgently needed repair projects.”

In a related action, the council also directed the AOC to revise its prioritization methodology and reporting process for planned facility modifications to better reflect the extremely limited funding available for repairs. “This is a small but important step in being more transparent,” Justice Hill said. “The maintenance list, as created, has led to numerous misinterpretations about what we spend maintenance money on and why. We hope this will help make the process more understandable.”

Budget background drives cost reduction efforts

The fiscal year 2011–2012 Budget Act redirected \$310 million in judicial branch funds set aside by SB 1407 for courthouse construction to the General Fund. All told, more than \$500 million in SB 1407 funding was swept to the General Fund, borrowed, or redirected to court operations this fiscal year. Since 2009, more than \$1.1 billion in funding originally designated for courthouse construction has been borrowed, swept to the General Fund, or redirected to court operations.

The judicial branch facilities program is responsible for providing local communities in California with safe, secure, accessible courthouses. The infrastructure projects are funded by court users statewide, generate jobs, and contribute to local economies and state tax revenues.

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The Judicial Council is the policymaking body of the California courts, the largest court system in the nation. Under the leadership of the Chief Justice and in accordance with the California Constitution, the council is responsible for ensuring the consistent, independent, impartial, and accessible administration of justice. The Administrative Office of the Courts carries out the official actions of the council and promotes leadership and excellence in court administration.