



Judicial Council of California

ADMINISTRATIVE OFFICE OF THE COURTS

OFFICE OF GOVERNMENTAL AFFAIRS

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Chief Justice of California

Chair of the Judicial Council

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Interim Chief Deputy Director

CURTIS L. CHILD

Director, Office of Governmental Affairs

June 21, 2012

Hon. Roderick D. Wright, Chair
Senate Governmental Organization Committee
State Capitol, Room 5064
Sacramento, California 95814

Subject: AB 2442 (Williams), as amended May 25, 2012 – Oppose unless amended
Hearing: Senate Governmental Organization Committee – June 26, 2012

Dear Senator Wright:

The Judicial Council opposes AB 2442, which establishes the California Hope Public Trust (Trust) and provides that the Trust be funded by transfers of state-owned property as specified (including courthouses and other court facilities) and that the moneys generated from managing the properties be used to support instruction and direct student services at the California State University (CSU), University of California (UC), and California Community College (CCC) systems. The council opposes this bill unless it is amended to exempt all property controlled and managed by the judicial branch from consideration for management by the Trust to ensure that the needs of courts and court users are protected.

AB 2442 presents the risk that revenue currently generated from branch facilities would be diverted to CSU, UC, and CCC. AB 2442 requires that all net proceeds generated as a result of the Trust's management of facilities be distributed to CSU, UC, and CCC. The judicial branch receives roughly \$4 million per year in revenue from its property through parking lot fees and leases to third parties, such as counties and vendors. This income goes directly to fund judicial branch facilities operations and maintenance services. Under AB 2442, the Trust could manage the branch's income-generating facilities, and the income from those facilities would then be distributed to CSU, UC, and CCC rather than to the branch's facilities and maintenance fund. In the last four years, the judicial branch has sustained more than \$653 million in General Fund reductions. These reductions have strained the branch's ability to adequately maintain and

operate its facilities. While the author's intent to generate revenue for higher education is laudable, the branch's need for resources is of equal import.

Moreover, AB 2442 is inconsistent with the current statutory framework, which vests the judicial branch with control over its own facilities. In 2002, the Legislature passed the Trial Court Facilities Act (Stats. 2002, ch. 1082), which shifted responsibility for managing court properties from the counties to the state and placed the properties under the direction of the Judicial Council. Government Code sections 69204 and 70391 direct the Judicial Council to "exercise full responsibility, jurisdiction, control and authority as an owner would have over" court facilities whose titles are held by the state. In contrast, AB 2442 would enable the Trust to manage and control judicial branch properties as it sees fit upon authorization by the Legislature.

AB 2442 creates the risk that the Trust—the primary purpose of which is to generate revenue for non-judicial branch entities—could manage judicial facilities without concern for the needs of courts and court users. Upon receiving approval from the Legislature, the Trust would be able to sell, lease, redevelop, or manage judicial facilities as it deems appropriate. For instance, it could decide to charge fees in parking lots that the branch may provide for free to jurors to encourage jury summons compliance. The Trust could decide to build an office building to replace a court parking lot to generate more revenue for CSU, UC, and CCC, and move the current parking lot to an inconvenient location. It could decide to develop a judicial branch warehouse into commercial space to be leased to private parties, forcing the court to store files and exhibits in a different, less convenient and potentially more costly location. The Trust would have similar power over any active courthouses. Unlike the branch, the Trust has no incentive to consider the operational needs of courts when making decisions about judicial branch property.

Like the enumerated properties that are exempt from AB 2442, the judicial branch facilities are unique and best controlled by the branch. As with the exempted entities including CSU, UC, and the State Parks System, the judicial branch has a unique mission with numerous unique properties across the state. The branch currently manages its own properties and facilities and is not subject to oversight by the Department of General Services. In enacting the Trial Court Facilities Act, the Legislature acknowledged that these facilities are best managed by the branch. It indicated that "uniting responsibilities for operations and facilities increases the likelihood that operational costs are considered when facilities decisions are made, and enhances economical, efficient, and effective court operations." Given these considerations, the judicial branch should be exempt from AB 2442 like other similarly unique entities such as CSU, UC, and the State Parks System.

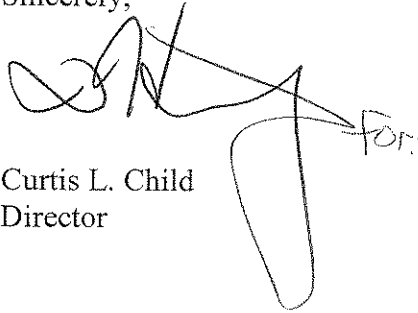
Finally, the council is also concerned that AB 2442 provides no formal opportunity for branch involvement in the Trust-related decisions made about its property. The decisions about which judicial branch properties the Trust controls and how they are managed would be made by the Trust itself—consisting of members appointed by and representing the executive and legislative branches—and the Legislature. While they might allow the branch to provide input during their decision-making processes, ultimately, the Trust would have the power to lease, sell, or develop branch property without consulting the branch. In summary, AB 2442 impinges upon the

Hon. Roderick D. Wright
June 21, 2012
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branch's ability to manage judicial branch facilities in a manner that meets the needs of courts and court users.

For these reasons, the Judicial Council opposes AB 2442.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Child", with a long, sweeping horizontal line extending to the right. The word "For:" is written in small, handwritten letters at the end of this line.

Curtis L. Child
Director

CC/DSH

cc: Members, Senate Governmental Organization Committee

Hon. Das Williams, Member of the Assembly

Mr. Paul Donahue, Consultant, Senate Governmental Organization Committee

Mr. Richard Paul, Consultant, Senate Republican Office of Policy

Mr. Rene Bayardo, Legislative Advocate, Service Employees International Union

Ms. June Clark, Deputy Legislative Affairs Secretary, Office of the Governor

Ms. Madelynn McClain, Budget Analyst, Department of Finance



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August 3, 2012

Hon. Christine Kehoe, Chair
Senate Appropriations Committee
State Capitol, Room 5050
Sacramento, California 95814

Subject: AB 2442 (Williams), as amended June 27, 2012
Hearing: Senate Appropriations Committee – August 6, 2012

Dear Senator Kehoe:

The Judicial Council is pleased to inform you that the author and sponsor of AB 2442 have agreed to amend the bill to exempt certain judicial branch properties, and if this agreed upon amendment is made, the council removes its opposition from AB 2442 and adopts a neutral position on the bill. AB 2442 establishes the California Hope Public Trust (Trust) and provides that the Trust be funded by transfers of state-owned property as specified (including courthouses and other court facilities) and that the moneys generated from managing the properties be used to support instruction and direct student services at the California State University (CSU), University of California (UC), and California Community College (CCC) systems. The author and sponsor have agreed to amend the bill to exempt the following properties from consideration for management by the Trust: courthouses and properties in which courtrooms or other facilities directly supporting judicial proceedings are located including courthouses that have been closed but are planned for use in the future; property planned for development as courthouses; and property used for parking for courthouses.

The specific amendments are:

(c) Notwithstanding subdivision (a), the trust shall not consider for transfer any of the following real property owned by the state:

.....

(10) The following lands, buildings, or property for which the Judicial Council is responsible under Section 69204 or Section 70391:

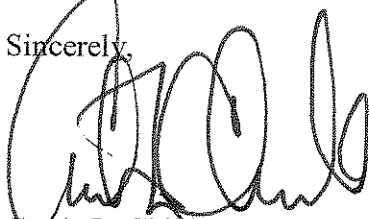
(A) Courthouses, including courthouses that have been closed but which are planned for use as a courthouse in the future, and properties in which courtrooms or other facilities directly supporting judicial proceedings are located;

(B) Property planned for development as courthouses; and

(C) Property used for parking for courthouses.

If the amendment exempting these judicial branch properties is made, it will substantially address the concerns of the judicial branch. As a result, when the amendment is made, the Judicial Council will no longer oppose AB 2442, and will be neutral on the amended version of the bill.

Sincerely,

A handwritten signature in black ink, appearing to read 'Curtis L. Child', written over a horizontal line.

Curtis L. Child
Director

CC/DSH/NS

cc: Members, Senate Appropriations Committee

Hon. Das Williams, Member of the Assembly

Mr. Bob Franzoia, Staff Director, Senate Appropriations Committee

Mr. Richard Paul, Consultant, Senate Republican Office of Policy

Mr. Rene Bayardo, Legislative Advocate, Service Employees International Union

Ms. June Clark, Deputy Legislative Affairs Secretary, Office of the Governor

Ms. Madelynn McClain, Budget Analyst, Department of Finance



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August 27, 2012

Hon. Das Williams
Member of the Assembly
State Capitol, Room 6011
Sacramento, California 95814

Subject: AB 2442 (Williams), as amended August 24, 2012

Dear Assembly Member Williams:

We appreciate your taking amendments to AB 2442 that exempt certain judicial branch properties as defined in Government Code section 15877(c)(10) from being subject to the terms of the bill. With these amendments, the Judicial Council removes its opposition to the bill and adopts a neutral position.

It was a pleasure working with you and your sponsor to address the concerns of the Judicial Council and working with us to craft the amendments.

Sincerely,

Curtis L. Child
Director

CLC/lmb

cc: Mr. Richard Paul, Consultant, Senate Republican Office of Policy
Mr. Rene Bayardo, Legislative Advocate, Service Employees International Union
Ms. June Clark, Deputy Legislative Affairs Secretary, Office of the Governor
Ms. Madelynn McClain, Budget Analyst, Department of Finance