JUDICIAL COUNCIL *of* CALIFORNIA

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HON. PATRICIA GUERRERO
Chief Justice of California
Chair of the Judicial Council

HON. BRAD R. HILL
Chair, Executive and Planning Committee

HON. ANN C. MOORMAN
Chair, Judicial Branch Budget Committee
Chair, Litigation Management Committee

HON. STACY BOULWARE EURIE
Chair, Legislation Committee

HON. CARIN T. FUJISAKI
Chair, Rules Committee

HON. KYLE S. BRODIE
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Hon. Lisa M. Rogan
Mr. David H. Yamasaki

MS. MICHELLE CURRAN
Administrative Director
Judicial Council

December 18, 2024

Hon. Anna Caballero
Chair, Senate Appropriations Committee
1020 N Street, Room 412
Sacramento, California 95814

Hon. Buffy Wicks
Chair, Assembly Appropriations Committee
1021 O Street, Suite 8220
Sacramento, California 95814

Hon. Scott D. Wiener
Chair, Senate Committee on Budget and Fiscal Review
1020 N Street, Room 502
Sacramento, California 95814

Hon. Jesse Gabriel
Chair, Assembly Committee on Budget
1021 O Street, Suite 8230
Sacramento, California 95814

Re: *Receipts and Expenditures From Local Courthouse Construction Funds for Fiscal Year 2023–24*, as required under Government Code section 70403

Dear Senator Caballero, Senator Wiener, Assembly Member Wicks, and Assembly Member Gabriel:

Under Government Code section 70403, the Judicial Council is submitting *Receipts and Expenditures From Local Courthouse Construction Funds for Fiscal Year 2023–24*.

If you have any questions related to this report, please contact Mr. Zlatko Theodorovic, Director, Judicial Council Budget Services, at 916-263-1397 or Zlatko.Theodorovic@jud.ca.gov.

Sincerely,

Michelle Curran
Administrative Director
Judicial Council

MC/BP
Enclosures
cc: Cara L. Jenkins, Legislative Counsel
Erika Contreras, Secretary of the Senate
Eric Dang, Counsel, Office of Senate President pro Tempore Mike McGuire
Emelyn Rodriguez, General Counsel, Office of Assembly Speaker Robert Rivas
Shaun Naidu, Policy Consultant, Office of Assembly Speaker Robert Rivas
Anita Lee, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
Gabriel Petek, Legislative Analyst, Legislative Analyst's Office
Mark Jimenez, Principal Program Budget Analyst, Department of Finance
Henry Ng, Budget Analyst, Department of Finance
Margie Estrada, Chief Counsel, Senate Judiciary Committee
Mary Kennedy, Chief Counsel, Senate Public Safety Committee
Liah Burnley, Principal Consultant, Senate Appropriations Committee
Hans Hemann, Principal Consultant, Joint Legislative Budget Committee
Eric Csizmar, Consultant, Senate Republican Policy Office
Matt Osterli, Consultant, Senate Republican Fiscal Office
Morgan Branch, Consultant, Senate Republican Policy Office
Alison Merrilees, Chief Counsel, Assembly Judiciary Committee
Andrew Ironside, Chief Counsel, Assembly Public Safety Committee
Nora Brackbill, Consultant, Senate Budget and Fiscal Review Committee
Jennifer Kim, Consultant, Assembly Budget Committee
Annika Carlson, Principal Consultant, Assembly Appropriations Committee
Lyndsay Mitchell, Consultant, Assembly Republican Office of Policy & Budget
Gary Olson, Consultant, Assembly Republican Office of Policy & Budget
Daryl Thomas, Consultant, Assembly Republican Office of Policy & Budget
Cory T. Jasperson, Director, Governmental Affairs, Judicial Council
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Donna Newman, Manager, Budget Services, Judicial Council
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Report title: *Receipts and Expenditures From Local Courthouse Construction Funds for Fiscal Year 2023–24*

Statutory citation: Government Code section 70403

Date of report: December 18, 2024

The Judicial Council has submitted a report to the Legislature for fiscal year 2023–24 in accordance with Government Code section 70403.

The following summary of the report is provided under the requirements of Government Code section 9795.

Government Code section 70402(a) requires that any amount in a county's local courthouse construction fund be transferred to the State Court Facilities Construction Fund at the later of the following dates: (1) the date of the last transfer of responsibility for court facilities from that county to the Judicial Council, or December 31, 2009, if there is no outstanding bonded indebtedness; or (2) the date of the final payment of the bonded indebtedness for any court facility paid from that fund is retired.

Under Government Code section 70403, a county that has retained revenue sources under Government Code section 70325 is required to submit an annual report of revenues and expenditures, including any amounts to be repaid by counties, to the Judicial Council.

The attached annual report reflects 20 counties that collected courthouse construction funds, with total revenues of $23.6 million and expenditures of $25 million. Lassen County did not submit its revenue and expenditure data as required under Government Code section 70403(a) and has not submitted a report since fiscal year 2019–20.

This report is submitted to the Legislature annually. Reports from previous fiscal years are available on the California Courts website's "Reports to the Legislature" webpage at www.courts.ca.gov/7466.htm.

A printed copy of the report may be obtained by calling 415-865-8777.

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Primary Author of Report

Receipts and Expenditures From Local Courthouse Construction Funds for Fiscal Year 2023–24

December 2024

Judicial Council *of* California

County Reporting on Local Courthouse Construction Funds

Reporting Requirements

The Trial Court Facilities Act of 2002 (Sen. Bill 1732 (Escutia); Stats. 2002, ch. 1082) requires counties to report receipts to and expenditures from local courthouse construction funds. Government Code section 70403 mandates that each county submit a report to the Judicial Council's Administrative Director of all local courthouse construction fund receipts and expenditures from January 1, 1998, to December 31, 2005.

Counties retaining funds to pay bonded indebtedness must submit to the Judicial Council and the California Department of Finance annual updates of all receipts and expenditures within 90 days after the end of each fiscal year. Government Code section 70403 further requires the Judicial Council to submit a report to the Legislature on the information received from the counties regarding the status of local courthouse construction funds. This report fulfills that requirement for the period from July 1, 2023, to June 30, 2024.

Government Code section 70402(a) requires that any amount in a county's local courthouse construction fund be transferred to the State Court Facilities Construction Fund at the later of the following dates: (1) the date of the last transfer of responsibility for court facilities from that county to the Judicial Council, or December 31, 2009, if there is no outstanding bonded indebtedness; or (2) the date that the final payment of the bonded indebtedness for any court facility paid from that fund is retired.

Status of Courthouse Construction Funds for All 58 Counties

As of June 30, 2024, 39 counties have closed out their local courthouse construction funds in accordance with current law. Two of those counties (Humboldt and Napa) completed all closeout activities during this reporting period.

Humboldt and Napa counties ceased collection of courthouse construction funds by amending their board of supervisors' resolutions and completing all closeout activities in the reporting period. Napa County remitted a fund balance of $4.2 million to the State Court Facilities Construction Fund after all project commitments were completed. Humboldt County had no fund balance to remit.

The remaining 19 counties[1] are statutorily required to continue to report their courthouse construction funds because they have bonded indebtedness, have approved outstanding projects for which the funds are used, or have not completed the required closeout activities with their boards of supervisors. Counties are required to submit annual reports on their courthouse construction fund revenues and expenditures until their boards of supervisors have passed

[1] The statewide totals in this report do not include data from Lassen County because the county did not submit its revenue and expenditure data for the reporting period.

revised resolutions and the remaining balances of their courthouse construction funds, if any, have been remitted to the State Court Facilities Construction Fund.

- One county (Glenn) concluded its lease obligation in this reporting period and is expected to close out its courthouse construction fund during the next reporting period.

- Three counties (Alameda, Lassen, and Ventura) concluded their bonded indebtedness in prior reporting periods but have not completed the closeout of their courthouse construction funds. The Judicial Council continues to work with these counties to facilitate the required closeout activities.

County Reporting Under Government Code Section 70403(b) for July 1, 2023, Through June 30, 2024

The Judicial Council received reports on the condition of local courthouse construction funds from 20 of the 21 counties that are required to report during the period from July 1, 2023, through June 30, 2024. The submitted reports (Appendix A) were received as of October 1, 2024, and were analyzed for compliance with section 70403(b).

As reported by the 20 counties, the local courthouse construction fund receipts totaled $23.6 million and expenditures totaled $25 million for fiscal year 2023–24. Lassen County did not submit its revenue and expenditure data as required under Government Code section 70403(a) and has not submitted a report since fiscal year 2019–20.

Status of Reviews

When a county submits its annual report on the condition of its local courthouse construction fund, Judicial Council staff review the report—including the beginning and ending fund balances and an explanation of expenditures by project—to determine compliance. Each review includes a determination of whether the receipts and expenditures were made in accordance with the provisions of Government Code section 76100, including verifying that outstanding debt service still exists. If the Judicial Council concludes, based on the information provided, that a county made an expenditure not permitted by statute, the Judicial Council will notify the county and the California Department of Finance of the amount due for repayment to the state. Under Government Code section 70403(d), no repayments have been identified for fiscal year 2023–24.

County Reporting for All Prior Reporting Periods

Based on the reports received from the counties for these reporting periods, there is no update to the previously reported receipts and expenditures. All reports follow the requirements of the statute for the reporting period. No further detailed reviews will be conducted on reports beyond fiscal year 2014–15 unless warranted. Reports from previous fiscal years are available on the California Courts website's "Reports to the Legislature" webpage at www.courts.ca.gov/7466.htm.

Appendix

1. Appendix A: *County Reporting for the Period July 1, 2023 to June 30, 2024: Local Courthouse Construction Funds Under Government Code Section 70403*

County Reporting for the Period
July 1, 2023 to June 30, 2024
Local Courthouse Construction Funds Under Government Code Section 70403
APPENDIX A

	County	Revenues for Period *(as reported by county)*	Expenditures for Period *(as reported by county)*	Balances Remitted to State Court Facilities Construction Fund	Bonded Indebtedness *(indicated in report)*
	Complete [1]				
	Humboldt	$ 38,734	$ 0	$ 0	Concluded 2017
	Napa	634,673	0	4,160,526	Concluded 2014
	In Progress — Current Bonded Indebtedness [2]				
1	Amador	20,479	17,590		x
2	Contra Costa	741,185	186,548		x
3	Los Angeles	8,814,000	15,394,000		x
4	Merced	270,225	499,165		x
5	Monterey	413,038	413,038		x
6	Placer	207,798	0		x
7	Riverside	5,177,121	4,363,244		x
8	Sacramento	755,594	1,005,554		x
9	San Diego	982,437	0		x
10	San Luis Obispo	423,528	306,303		x
11	San Mateo	1,309,659	1,147,319		x
12	Santa Clara	841,381	551,500		x
13	Santa Cruz	109,108	0		x
14	Solano	221,029	329,018		x
15	Stanislaus	275,125	816,590		x
	Concluded Bonded Indebtedness [3]				
16	Alameda	1,425,382	0		Concluded 2023
17	Lassen				
18	Glenn	72,084	0		Concluded 2023
19	Ventura	842,910	0		Concluded 2019
	TOTALS	**$ 23,575,490**	**$ 25,029,869**	**$ 4,160,526**	

Notes:

1. Closed out in accordance with current law.
2. Bonded indebtedness: approved project underway.
3. Bonded indebtedness is complete; Judicial Council staff is working with counties to remit their Courthouse Construction Fund balances to the State Court Facilities Construction Fund.