

JUDICIAL

Item 0250 from the General
Fund and the State Transportation Fund

Budget p. LJE 10

Requested 1985-86	\$69,162,000
Estimated 1984-85.....	55,104,000
Actual 1983-84	43,910,000
Requested increase (excluding amount for salary increases) \$14,058,000 (+25.5 percent)	
Total recommended reduction	938,633
Recommendation pending	4,458,008

1985-86 FUNDING BY ITEM AND SOURCE

Item—Description	Fund	Amount
0250-001-001—Support	General	\$68,859,000
0250-001-044—Support/Traffic Program	Transportation	60,000
0250-101-001—Local Assistance	General	243,000
Total, State Funds		\$69,162,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. **Supreme Court Research Attorneys. Reduce Item 0250-001-001 by \$339,669.** Recommend deletion of seven research attorney positions which are not justified on the basis of demonstrated workload. 8
2. **Administrative Assistants. Reduce Item 0250-001-001 by \$103,714.** Recommend deletion of three administrative assistant positions which have not been used for the purpose for which they were authorized. 10
3. **Secretarial Staffing. Reduce Item 0250-001-001 by \$89,596.** Recommend deletion of three secretarial positions that are not justified on a workload basis. 11
4. **Central Staff Attorneys. Reduce Item 0250-001-001 by \$155,802.** Recommend deletion of 2.5 attorney positions that are not justified on a workload basis. 12
5. **Appointed Counsel in Criminal Appeals.** Recommend that the Judicial Council report to the fiscal committees prior to budget hearings on specific unresolved issues concerning its plan to provide appointed counsel to indigent appellants. 13
6. **Office Automation.** Withhold recommendation on \$4,458,008 proposed for an office automation system, pending the receipt of a report on project implementation. 16
7. **Court Management Analyst. Reduce Item 0250-001-001 by \$111,237.** Recommend deletion of one analyst position and associated operating expenses because the council has not demonstrated that the position is needed. 17
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9. **Judicial Education Program.** Reduce Item 0250-001-001 by \$79,240. Recommend deletion of funds budgeted for expanded judicial education program because Judicial Council has not justified the expenditure. 18

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 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. The remaining courts are supported primarily by the counties, although the state (1) pays 87 percent to 93 percent of each superior court judge's salary, (2) provides an annual \$60,000 block grant for most superior court judgeships created after January 1, 1973, and (3) pays the employer's contribution toward health and retirement benefits for each superior and municipal court judge.

Fines, fees, and forfeitures collected by the trial courts are 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.

The Chief Justice of the Supreme Court serves as the chairperson of the Judicial Council, and is responsible for equalizing the work of judges and expediting judicial business.

Judicial Council

The Judicial Council consists of the Chief Justice, 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 operates the Center for Judicial Education and Research, which provides education for both newly appointed and continuing judges.

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. It may privately admonish a judge, or recommend to the Supreme Court that a judge be retired for disability, censured, or removed for any of the causes set forth in the State Constitution.

The Legislature has authorized 709.5 positions for state judicial functions in the current year.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes appropriations totaling \$69,162,000 from the General Fund (\$69,102,000) and the State Transportation Fund (\$60,000) for the support of judicial functions in 1985-86. This is an increase of \$14,058,000, or about 26 percent, over current-year estimated expenditures. This increase will grow by the cost of any salary or staff benefit increase approved for state employees in the budget year.

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

Table 1
State Judicial Functions
Budget Summary
1983-84 through 1985-86
(dollars in thousands)

	Actual 1983-84	Estimated 1984-85	Proposed 1985-86	Change From 1984-85	
				Amount	Percent
Expenditures					
Supreme Court	\$5,952	\$7,164	\$8,166	\$1,002	13.9%
Courts of Appeal.....	29,902	38,967	46,812	7,485	20.1
Judicial Council	7,705	8,414	13,604	5,190	61.7
Commission on Judicial Performance	227	326	337	11	3.4
Local Assistance	124	243	243	—	—
Subtotals	\$43,910	\$55,114	\$69,162	\$14,048	25.5%
Less reimbursements	—	—10	—	10	100.0
Totals	\$43,910	\$55,104	\$69,162	\$14,058	25.5%
Personnel-Years					
Supreme Court	90.0	95.2	107.2	12.0	12.6%
Courts of Appeals	447.0	471.9	527.2	55.3	11.7
Judicial Council	98.9	100.1	105.1	5.0	5.0
Commission on Judicial Performance	4.0	5.3	5.3	—	—
Totals	639.9	672.5	744.8	72.3	10.8%

Supreme Court. The budget proposes an appropriation of \$8,166,000 from the General Fund for support of the Supreme Court in 1985-86. This is \$1,002,000, or 14 percent, above estimated current-year expenditures. Of this amount, \$280,000 is proposed for an increase in the cost of appointed counsel in criminal appeals, and an additional \$340,000 is requested to add seven research attorneys—one for each justice. (These increases are discussed below.) In addition, \$202,000 is proposed for five administrative and clerical positions.

Courts of Appeal. For support of the six courts of appeal, the budget proposes total expenditures of \$46,812,000 in 1985-86. This is an increase of \$7,845,000, or 20 percent, over estimated current-year expenditures for these courts. Much of the growth (\$4,720,000) is due to a substantial increase in the cost of appointed counsel in criminal appeals. In addition, the courts are proposing 42.8 new positions, including central staff attorneys, court clerks, and secretarial staffing (\$1,768,000). These requests are discussed later in this analysis.

The total amount of expenditures shown in the budget document for the appellate courts in 1985-86 is *understated*. This is because salary savings for the Supreme Court and the Judicial Council, as well as for the courts of appeal, are budgeted in the courts of appeal item. (The overall amount of salary savings is budgeted in accordance with Department of Finance

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guidelines.) This unusual budgetary practice also causes the budget to *overstate* expenditures for the Supreme Court and the Judicial Council. We estimate that the amount budgeted for support of the courts of appeal is approximately \$172,000 less than the projected cost of the courts in 1985-86.

Judicial Council. The budget proposes \$13,604,000 for support of the Judicial Council in 1985-86, including \$13,544,000 from the General Fund, and \$60,000 from the State Transportation Fund. The proposed amount is \$5,190,000, or 62 percent, above the estimated level of expenditures in 1984-85. This increase primarily reflects a proposal to implement an automated data and word processing system for the courts (\$4,458,000). (This proposal is discussed below.) In addition, the council requests an increase of five clerical and administrative positions and related operating expenses (\$305,000).

Commission on Judicial Performance. The budget requests \$337,000 for the Commission on Judicial Performance, an increase of \$11,000, or 3 percent, above current-year expenditures. This increase is due to routine merit salary increases and inflation adjustments for operating expenses.

ANALYSIS AND RECOMMENDATIONS**SUPREME COURT****Supreme Court Research Attorneys**

We recommend deletion of seven research attorney positions which have not been justified on the basis of workload, for a General Fund savings of \$339,669 (Item 0250-001-001).

Budget Proposal. The budget proposes to add seven research attorneys to the Supreme Court, at a General Fund cost of \$339,669. This would increase to five the number of research attorneys assigned to each justice.

In the current year, the Supreme Court has a staff of 43 attorneys. This includes 28 attorneys assigned directly to seven justices, (4 per justice), 12 central staff attorneys, 2 writ attorneys and a special assistant to the Chief Justice. An additional 28 law student externs assist the court by providing legal research.

According to the Supreme Court, its request for seven additional research attorneys is based on three factors: (1) increased workload, including an increase in the total number of filings, and increases in the number of petitions for hearing granted by the court (hearings may be granted after the disposition of cases by the courts of appeal), (2) problems resulting from excessive reliance on law student externs to complete judicial work, and (3) the new workload resulting from State Constitutional Amendment (SCA) 29, an initiative approved by the voters at the November 1984 election.

Workload Trends. There are various standards that can be used to measure Supreme Court workload. In the past, the court has based its requests for additional research attorney staff on either the total number of filings or petitions for hearing (whether granted or denied by the court). In 1981-82, for example, the court requested additional positions based on the number of total filings. (The Legislature, however, did not approve the request.) In the following year (1982-83), the court requested an increase from three to four in the number of research attorneys per justice, based on the number of petitions for hearing. (The Legislature approved this request.)

The request for 1985-86 is based, in part, on the total number of filings and, in part, an entirely new standard—the number of petitions for hearing *granted* by the court.

Table 2 shows the workload per attorney using each of these three measures: total filings, petitions for hearing, and petitions for hearing granted. (These measures actually overstate assigned attorney workload because central staff attorneys also perform legal staffing duties. The courts, however, have been unable to provide separate workload data for the two types of attorney positions.) The table shows that regardless of which standard is used, *the number of transactions per attorney would decrease significantly if the new positions are added*. In fact, the workload per attorney would be lower than in any one of the last five years.

If the request is evaluated on the basis of total filings or total petitions for hearing—those workload measures previously used by the court to justify positions approved by the Legislature—no new attorney positions would be justified.

Table 2^a
Supreme Court
Workload Measures for Attorneys Assigned to Justices
1981-82 through 1985-86

Workload	1981-82	1982-83	1983-84	1984-85 (Estimated)	1985-86 (Proposed)	Change From 1984-85 to 1985-86	
						Amount	Percent
Filings.....	4,056	3,856	4,024	4,070	4,088	18	0.4%
Petitions for hearing.....	3,338	3,205	3,244	3,336	3,343	7	0.2
Petitions for hearing granted.....	280	286	318	330	347	17	5.2
Staff							
Attorneys ^b	22	28	28	28	35	7	25.0%
Productivity							
Filings/attorney.....	184.4	137.7	143.7	145.4	116.8	-28.6	-19.7%
Petitions for hearing/attorney.....	151.7	114.5	115.9	119.1	95.5	-23.6	-19.8
Petitions for hearing granted/attorney.....	12.7	10.2	11.4	11.8	9.9	-1.9	-16.1

^a Source: Annual report of the Judicial Council, and budget documents.

^b Includes assigned research attorneys only.

Law Student Externs. The budget change proposal also cited a need for more experienced attorneys to allow the court to decrease its reliance on inexperienced law student externs to conduct legal research. The court has approximately 28 externs to conduct legal research in the current year. The externs, who typically are second or third year law students, receive reimbursement for travel expenses but no salary.

The budget indicates that the new research attorney positions would be hired at the law clerk level. Law clerk positions typically are held by recent law school graduates awaiting State Bar examination results or new lawyers who recently have passed the exam. It is not clear to us, however, that the attorneys normally hired at this salary level would have a level of experience significantly greater than that of law student externs currently used.

State Constitutional Amendment 29. Finally, the proposal indicates that the additional attorneys are needed to "achieve maximum workload management" under the procedures of State Constitutional Amendment

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(SCA) 29. This measure permits the Supreme Court to review part of a decision of a lower court, rather than an entire case, as prior law required. The court indicates that the new procedure places greater importance on the initial review of cases.

Our review indicates that when SCA 29 was before the Legislature, the Judicial Council consistently maintained that the measure would improve the court's ability to manage its workload, and advised the Legislature that any costs resulting from the measure would be absorbable.

Analyst's Recommendation. In sum, the court has not made a case for adding the seven research attorney positions. Accordingly, we recommend that the positions be deleted, for a General Fund savings of \$339,669.

COURTS OF APPEAL**Administrative Assistants Not Needed**

We recommend that three administrative assistant positions be deleted, because these positions have not been used for the purpose for which the Legislature authorized them, which would result in a General Fund savings of \$103,714 (Item 0250-001-001).

The 1984 Budget Act authorized five new administrative assistant positions—one in each of the five operating courts of appeal. (No position was requested for the Sixth District, because at that time no judges had been appointed to serve in that district.) These positions were established by the Legislature to provide administrative and technical support to the Administrative Presiding Justice in each court.

In our analysis of the proposal, we recommended approval of the new positions, based on the Judicial Council's assurances that the additional staff would help the courts provide the Legislature with information on court budgets and operations which was not otherwise readily available.

During the current year, only one court—the Second District Court of Appeals—has assigned an administrative assistant to the presiding justice. The other courts have either redirected the administrative assistant position to perform other duties, used the funds for other purposes, or declined to accept either the position or the funding. For example, in the Fifth District, the position has been reclassified as a deputy clerk reporting to the court clerk. In two courts—the First and Third Districts—the Judicial Council advises that the positions are vacant and the funds are used for temporary clerical help. The Fourth District declined the addition of an administrative assistant position because the court advised that the duties of the position could be absorbed by existing staff.

The budget now proposes that an administrative assistant position be added to the Sixth District Court of Appeals in 1985-86, at a General Fund cost of \$40,264. The new position is requested as part of a larger proposal to provide a staffing level in the Sixth District comparable to that of other courts which have similar workload. The budget also continues to fund the now vacant administrative assistant positions in the First and Third Districts.

Our review found no justification for (1) creating a new administrative assistant position in the Sixth District when the position has not been needed in four of the five courts for which they were authorized in the current year, or (2) continuing to fund administrative assistant positions in the First and Third Districts when these positions have not been used for the purpose for which the Legislature authorized them. Accordingly,

we recommend the deletion of three administrative assistant positions for a General Fund savings of \$103,714.

Workload Studies Suggest Need for Staffing Increases

The Supplemental Reports of the 1983 and 1984 Budget Acts directed the Judicial Council to develop workload measures for determining staffing requirements for secretaries, court clerks, and attorneys in the courts of appeal. The completed studies accompanied the judicial budget request for 1985-86. Based on the results of these workload studies, the courts of appeal request 38.3 new positions, at a General Fund cost of \$1,514,967.

An analysis of court workload indicates the need for 32.8 of these new positions. Accordingly, we recommend approval of (1) 14.0 secretarial positions, at a cost of \$418,114, (2) 11.8 positions and \$418,114 proposed for court clerk's office staffing, and (3) 7.0 attorney positions, at a cost of \$449,424.

Our analysis of the secretarial and attorney staffing studies and other data provided by the courts, however, fails to confirm the need for 5.5 new positions and \$245,398 requested to support them. These amounts include 3.0 positions and \$89,596 for secretaries, and 2.5 central staff attorney positions at a cost of \$155,802. These positions are discussed in the following sections.

Secretarial Positions Not Justified

We recommend deletion of three secretary positions which are not justified on a workload basis, for a General Fund savings of \$89,596 (Item 0250-001-001).

The budget requests 17 new secretarial positions (9.0 permanent and 8.0 temporary) in the courts of appeal, at a General Fund cost of \$507,710. The request is based on a staffing standard which the Judicial Council developed pursuant to requirements of the Supplemental Report of the 1984 Budget Act. The staffing standard provides (1) one secretary for every three professionals, (2) temporary help to relieve permanent secretaries, and (3) general office support.

Support for Second District. Our review indicates that based on the standard developed by the Judicial Council, 1.0 of the positions requested for the Second District is not justified. Currently, the district has 5 secretaries for 20 legal staff positions that are not assigned directly to justices—a ratio of one secretary for every four of these attorneys. (This ratio understates secretarial support to some extent because the district maintains a secretarial pool, as well.) The budget proposes three additional positions for central secretarial staff and one additional attorney. Approval of the request would result in a total of 8 secretaries for 21 of these attorney positions. Based on the council's own staffing standard, 7.0 positions are required. Accordingly, we recommend deletion of 1.0 positions proposed for the Second District.

Support for Administrative Assistants. The secretarial staffing study recommended that 2.5 new positions be established to provide secretarial support for administrative assistant positions. Specifically, the study proposed one-half time secretary positions for the First, Second, Third, Fifth, and Sixth Districts.

Our review indicates that the additional positions are not needed in any district except the Second. Even though the administrative assistant positions originally were created in the current year to assist the administrative presiding justice in each district, only the Second District actually uses

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the position as the Legislature originally intended. The other districts have redirected the funds to provide temporary clerical help, redirected a position to provide additional support in the court clerk's office, or declined to accept either the position or the funds.

Obviously, there is no reason to provide secretarial support for administrative assistant positions which have not been created. Accordingly, we recommend deletion of 2.0 new positions proposed to provide such secretarial support. This recommendation would not affect the 0.5 positions requested for secretarial support for the administrative assistant in the Second District.

Approval of our recommendations regarding secretarial support would result in deletion of 3.0 positions and related operating expenses, for a General Fund savings of \$89,596.

Central Staff Attorney Positions Not Justified

We recommend deletion of 2.5 central staff attorney positions because the Judicial Council has not justified them on the basis of workload, for a General Fund savings of \$155,802 (Item 0250-001-001).

The budget requests 9.5 central staff attorney positions, at a General Fund cost of \$605,226. This request proposes to (1) establish on a permanent basis 5.5 positions which currently are due to expire at the end of the current fiscal year, (2) add four new positions—three positions in the Sixth District Court of Appeals which currently has no central staff attorneys, and one position in Division Six of the Second District. The budget request is based on staffing standards developed for central staff attorneys. The standards indicate the need for one central staff attorney for every two authorized judge positions.

Our analysis indicates that the use of this staffing ratio to determine central staff attorney requirements is inappropriate because it fails to address those factors that affect central staff attorney workload which are not related to the number of authorized judges. During the current year, the Chief Justice has assigned temporary judges, known as "pro tem judges", to all appellate courts except the Fifth District, in order to expedite appellate workload when there are (1) temporary absences of appointed judges due to illness or vacation or (2) filings in excess of the number which can be handled by authorized judicial positions.

Typically, legal support required for pro tem judges is provided by central staff attorneys. This is appropriate, since the need for this support fluctuates based on the number and duration of pro tem judge assignments made by the Chief Justice. The impact of such workload, however, is not reflected in the staffing ratios proposed by the Judicial Council.

Our analysis suggests that a better measure of central staff attorney workload is the number of appeals per attorney. In recent years, the courts have maintained an average of approximately 236 appeals per central staff attorney. (This number overstates the actual workload of these attorneys because it includes appeals which actually are handled by judges' personal staff attorneys. The courts, however, have been unable to provide separate workload data for the two types of attorney positions). In the current year, the average number of appeals per central staff attorney ranges from 187:1 in the Fifth District to 275:1 in Division One of the Fourth District.

Analyst's Recommendation. Based on our review, the Judicial Council's report failed to establish a measure for calculating central legal staff-

ing requirements which is linked directly to *workload*. In the absence of such a standard, we recommend that staffing needs be calculated on the basis of total appeals per attorney.

Our analysis indicates that based on the historical statewide ratio of 236:1, seven of the 9.5 new positions requested in the budget are justified. Accordingly, we recommend approval of seven new attorney positions. Because 2.5 of the requested central staff attorney positions are not justified on the basis of this workload standard, we recommend that they be deleted, for a General Fund savings of \$155,802.

JUDICIAL COUNCIL

Continued Uncertainties in Appointed Counsel Plan

We recommend that the Judicial Council report to the legislative fiscal committees prior to budget hearings on specific unresolved issues concerning its plan to provide counsel to indigent appellants.

Background. Under the state and United States Constitutions, indigent criminal defendants have a right to counsel from the time criminal charges are filed against them through the exhaustion of appeals. Prior to 1976, all indigent criminal appeals were handled by private counsel appointed by the court. A dual system of appellate defense for indigents was established in 1976, when the Legislature created the Office of the State Public Defender (SPD) in response to concerns about the quality of representation being provided to indigent appellants. The SPD consistently has been commended for the high quality of its representation.

During the late 1970's and early 1980's, the SPD generally handled about one-third of all indigent criminal appeals. The remaining cases were handled by private attorneys appointed by the court. In 1983-84, however, the Governor reduced the staffing of the SPD by 50 percent. Since that time, the SPD has handled considerably less than one-third of all cases, and there has been an increase in the use of court-appointed private counsel. There has also been a renewal of concerns about the quality and availability of representation in indigent appeals.

Report on Indigent Representation. *The Supplemental Report of the 1984 Budget Act* directed the Judicial Council and the State Public Defender (SPD) to cooperate in preparing information regarding the defense of indigents in criminal appeals. The report specifically required the two agencies to report on:

1. The number of indigent appeals that would be handled by private appointed counsel and by the SPD in 1984-85 and 1985-86.
2. Any difficulties the council anticipated in obtaining qualified individuals or organizations to provide appointed counsel oversight services and how it proposed to overcome those difficulties.
3. The role of the SPD in the statewide system of indigent defense proposed by the Judicial Council.
4. The potential for using the SPD to perform the appointed counsel oversight responsibilities, and the costs and benefits associated with doing so.

In December 1984, the Judicial Council submitted its response to the supplemental report requirements. The report estimated that the volume of new appellate cases will be 6,140 for both the current and budget years. This includes (1) approximately 140 cases before the Supreme Court, including up to 40 death penalty appeals, and (2) 6,000 cases before the courts of appeal. The report estimates that the SPD will handle approximately 10 percent of the appeals before the Supreme Court, including

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approximately 10 death penalty cases, and 600 cases, or 10 percent, of the appeals pending before the courts of appeal.

Based on the Judicial Council's estimates, about 90 percent of indigent appeals will be handled by court-appointed counsel. In order to manage the provision of counsel to appellants, the Judicial Council currently is entering into contracts with private administrators. The council advised in its report that it had not experienced and did not anticipate difficulty in establishing contracts to provide indigent appeal services. Nonetheless, in the current year the council has entered into such contracts only for the Supreme Court and the First and Fourth Districts of the courts of appeal.

In the case of the Supreme Court, the council maintains a contract with a private administrator called the Criminal Appeals Project (CAP). Under a \$750,000 contract, the CAP in 1984-85 is required to (1) recruit and match counsel of appropriate experience to death penalty cases and other appeals, (2) assist attorneys in the preparation of appeals, and (3) review attorney performance and claims for compensation. CAP will handle three or four death penalty cases with its own staff. An additional 25 death penalty cases and 75 other appeals and writs will be assigned to other private counsel, who will be assisted by CAP. In addition to new cases, the Judicial Council reports that approximately 110 death penalty cases are now pending before the court. CAP is expected to assist in at least 30 of these cases.

The Judicial Council has been slower to establish contracts throughout the courts of appeal. In the First District, the council has nine contracts which cover services for ten counties. These contractors recruit a panel of attorneys for appellate work, classify each case according to its complexity, and recommend a qualified attorney for each one. When a case is complete, the contractor recommends to the court the appropriate level of compensation for the attorney, based on rates established by the Supreme Court.

In the Fourth District, the Judicial Council has a contract with an organization called Appellate Defenders, Inc. (ADI). In addition to providing services similar to those provided by contractors in the First District, ADI (1) assists less-experienced attorneys with case preparation, (2) reviews attorney's briefs, (3) evaluates attorney performance after the case is complete to determine whether the attorney should be offered more or less complex cases in the future, and (4) directly handles a small number of appeals.

The Judicial Council advises that it is involved in ongoing negotiations to establish contracts in the four remaining appellate court districts that are currently without such services. The council expects to complete these arrangements by July 1, 1985.

The Judicial Council's report indicates that although there are uncertainties regarding the role of the SPD, the council envisions a system for assigning counsel in indigent appeals which includes coordination between the two agencies on a "flexible basis."

Subsequent to the release of the Judicial Council report, the SPD modified its estimate of how many cases it could handle, reducing the estimate from 10 percent to approximately 7.5 percent (or 11 Supreme Court appeals and 450 appellate court cases). To the extent that the SPD handles fewer cases or a different mix of cases than the council anticipated in its report, the council may require additional funds to provide for court-appointed counsel.

In response to the supplemental report requirements, the SPD also submitted a report in December 1984. Please refer to our analysis of the budget of the SPD, Item 8140, for a discussion of that report.

Budget Proposal. The courts request a total of \$13.9 million for the defense of indigents in criminal appeals. This includes \$1.6 million for the Supreme Court and \$12.3 million for the courts of appeal. The amount for the Supreme Court represents an increase of \$280,000, or 20 percent, over current-year estimated expenditures. The amount for the courts of appeal represents an increase of \$4.7 million, or 62 percent, above current-year estimated expenditures. These increases reflect (1) the costs of new contracts for attorney matching services and (2) an increase in the rate of compensation for appeals that must be handled by private appointed counsel.

Remaining Concerns. Although the report by the Judicial Council indicates that it has made substantial progress in developing an appointed counsel case matching and assistance program on a statewide basis, some major uncertainties about the program remain.

First, it is not clear whether there are individuals or organizations which can provide comprehensive indigent defense services in all of the appellate court districts. In four of the six districts there are no contracts for these services one year after the council originally proposed the system. The council's report does not address the issue of how such services will be provided in a district if a contract cannot be arranged.

Second, the long-term costs of the program are unclear. This year's budget request reflects the trend of increasing rates of payment for appointed counsel. Beginning in 1980 the courts began to address the issue of payment rates which varied between courts and were sometimes as low as \$20 per hour. In 1983-84, the rate was increased to \$40 per hour. The Judicial Council now advises that in the current year, there are three separate rates of payment for appointed council services. The CAP project receives an hourly rate of \$65 for the indigent services it provides for attorney recruitment, case matching, assistance to counsel, and direct defense. Private attorneys who represent indigent appellants in death penalty cases receive an hourly rate of \$60. Finally, the Judicial Council has increased the hourly rate to \$50 for cases before the courts of appeal, and for appeals other than death penalty cases before the Supreme Court.

We are concerned about the Legislature's ability to budget for and monitor the costs of appointed counsel, given the current rate-setting policies followed by the court. In the current year, for example, the rate increases took effect in July 1984. The change came too late for the needed additional funds to be included in the 1984 Budget Act. As a result, the Judicial Council estimates that it will spend approximately \$1.6 million more on court-appointed counsel fees than the amount budgeted. The council advises that a deficiency appropriation may be needed to cover these costs. The court's current policy for determining and scheduling changes in its rates of payment fails to provide the Legislature with timely information which would allow it to budget for and monitor court-appointed counsel expenditures.

In view of these uncertainties, we recommend that, prior to budget hearings, the Judicial Council advise the fiscal committees on its continued progress in this area by providing the following information:

1. Specific plans for ensuring that qualified counsel is available in districts where no contract for indigent defense services is in place.
2. The courts' policies for establishing rates of payment for appointed counsel and for instituting future increases.

JUDICIAL—Continued**Feasibility of Office Automation Proposal Uncertain**

We withhold recommendation on \$4,458,008 requested from the General Fund to establish an office automation project throughout the courts, pending the receipt of a report from the Judicial Council detailing specific aspects of its implementation plan.

The budget requests \$4,458,008 to implement an office automation system throughout the Supreme Court, the courts of appeal and the Judicial Council during 1985–86. The council advises that when the system is fully operational, it will provide justices, attorneys, and secretaries with various word processing and data processing capabilities. The purposes of the proposed system are to (1) integrate now-separate automated systems, (2) upgrade and expand word processing capabilities, and (3) generally enhance the productivity of the courts.

Of the amount requested, \$4,033,400 is requested to purchase new equipment for the Supreme Court, courts of appeal, and the Judicial Council. An additional \$292,608 is requested for computer software and telecommunications equipment maintenance, and \$132,000 is proposed for consulting services to assist the courts with site preparation.

In the current year, the courts operate three separate automated systems. These include word processing, an automated case tracking system and automated legal research available in court libraries. In addition, the Judicial Council advises that it currently is testing the proposed system on a limited basis in four locations throughout the courts of appeal. No evaluation has yet been completed on the current pilot project.

We believe that the proposed system potentially could enhance the productivity of the courts. Nonetheless, we have concerns about (1) the feasibility of implementing a project of this magnitude in one year and (2) the advisability of proceeding to implement the entire system before an evaluation of the pilot project is completed. Moreover, we believe the Legislature needs additional information to evaluate the Judicial Council's request.

The Judicial Council advises us that it currently is preparing a report which contains additional detail about the proposal. Accordingly, we withhold recommendation on the amount requested, pending the receipt of a report which contains the following information:

1. **Pilot Project.** An evaluation of the experience of the Judicial Council in implementing the system during the current year on a pilot basis in four locations.

2. **Financing Plan.** A description of how the proposed system will be financed.

3. **Selection of Contractor.** An explanation of why the council has selected a contractor on a sole source basis, instead of through a competitive bidding procedure.

4. **Future Costs.** Clarification of what are one-time and what are ongoing costs for software, telecommunications, and space modifications.

5. **Consultant Services.** Specification of role and duties of any consultants hired to assist the court.

6. **Staffing and Training.** An analysis which identifies (1) training needs for the new system and (2) potential savings in clerical and administrative staffing as a result of the automation.

7. Implementation Schedule. Identification of the tasks that must be accomplished to fully implement the system and a time schedule for completion of these tasks, by location.

Additional Analyst Not Needed

We recommend deletion of one court management analyst position and associated operating expenses because the Judicial Council has not demonstrated that the position is needed, for a General Fund savings of \$111,237 (Item 0250-001-001).

The Supplemental Report of the 1983 Budget Act directed the Judicial Council to conduct analyses of trial court workload, known as weighted caseload studies. These studies are used to determine judicial staffing requirements in the trial courts. The language directed the Judicial Council to complete its superior court study by December 1, 1984, and its municipal court study by December 1, 1985. The studies are to be updated for superior and municipal courts in alternate years thereafter, on an ongoing basis.

Weighted caseload studies are conducted by the court consultative services unit. This unit currently includes five analysts (including two temporary positions) and a supervisor. In addition to weighted caseload studies, the unit conducts studies on compliance with the rules of court and other matters at the request of trial courts.

The budget proposes one additional analyst position, the court consultative services unit and additional funds for travel in 1985-86. The Judicial Council advises that the new position would be used for weighted caseload studies, thus freeing another analyst to begin working on a reported backlog of other trial court studies.

The Judicial Council has failed to demonstrate that existing staff cannot continue to complete the unit's workload. Specifically, the Judicial Council has been unable to advise us as to the amount of staff and other resources needed to perform ongoing tasks. The council has been unable to describe the nature of the reported backlog, including the number of outstanding projects and the length of delays encountered in completing the work.

We find no basis for adding a position to conduct studies when the Judicial Council has not (1) identified the current workload of the unit, (2) the nature of the backlog, or (3) demonstrated that the current workload cannot be completed by existing staff. Accordingly, we recommend that one position and the associated operating expense funds be deleted, for a General Fund savings of \$111,237.

Recruitment Advertising Budget Not Justified

We recommend the deletion of funds requested for advertising expenses in connection with recruitment of new staff because the council has not justified the expenditures, for a General Fund savings of \$59,375 (Item 0250-001-001).

When budgeting for new positions, departments typically request funds for operating expenses and equipment related to the new positions. In our review of various staffing augmentations proposed for the courts and the Judicial Council, we found that \$1,250 from the General Fund was requested for recruitment advertising in connection with each one of 47.5 new positions. These positions include office assistants, judicial secretaries, court clerks, and attorneys. The total amount requested for recruitment advertising for these 47.5 positions is \$59,375.

We have several concerns about the proposal. First, the Judicial Council

JUDICIAL—Continued

has not demonstrated that it will be necessary to spend \$1,250 per position for advertising in order to recruit qualified clerical, administrative, and legal staff for the courts in the budget year. Second, the Judicial Council budget already contains \$125,000 for recruitment advertising in 1985-86. The Judicial Council uses the funds to purchase media advertising to recruit for positions on an ongoing basis. Often an ad will solicit applicants for a number of positions at once. Consequently the cost of advertising for many positions is not necessarily substantially greater than the cost of recruiting for a small number of positions.

Because the council has not justified the expenditure of the requested funds and already has a sizeable budget for recruitment advertising, we recommend deletion of the additional funds requested for this purpose, for General Fund savings of \$59,375.

Funds for Expansion of Judicial Education Program Not Justified

We recommend deletion of funds requested to expand the judicial education program because the Judicial Council has not justified the expenditure, for a General Fund savings of \$79,240 (Item 0250-001-001).

Background. Resolution Chapter 84/84 (ACR 130) directs the Judicial Council to request that its judicial education component, the Center for Judicial Education and Research (CJER), develop a program related to Post Traumatic Stress Disorders (PTSD) among Vietnam war veterans. PTSDs are considered delayed reactions to the pressures of combat which result in mental disabilities in veterans after their return from active military duty.

Resolution Chapter 84 requested that the education program address the following issues: (1) the involvement of Vietnam veterans suffering from PTSD in the criminal justice system, (2) resources for assessment and diagnosis of PTSD, and (3) resources for treatment and counseling as alternatives to incarceration for veterans in prison. At the time Res. Ch 84 was considered by the Legislature, the Judicial Council advised that program costs would total \$75,000 from the General Fund. The council indicated the funds would be used to sponsor a presentation on PTSD at a CJER annual conference. The proceedings would be videotaped and made available on request to members of the judiciary.

Expanded Program Proposed. In its 1985-86 budget, the Judicial Council requests \$154,240 from the General Fund to implement the provisions of Res. Ch 84, more than twice the original estimate of program costs. The Judicial Council advises that the increased funds will be used to test a new approach to judicial education which expands the use of videotaped presentations to judges in local courts. The purpose of the program is to expose more members of the judiciary to the PTSD material than would be possible at the annual conference. If the concept succeeds, the Judicial Council would expand it to other subject areas.

The proposal did not contain details about how the funds would be used. The CJER advises, however, that its funds would be used to (1) prepare a five to ten part video tape series on PTSD, based on the CJER conference presentation planned for November 1985, (2) assist local courts in establishing judicial education committees in which judges would meet locally to view the videotapes, and (3) make CJER-sponsored consultants available to answer questions at the time the videotapes are presented.

Based on a review of the proposed use of funds, we question how the

resources requested for the expanded program would ensure that it reaches a significantly greater number of judges than the program as originally proposed. For example, the videotape will be prepared in late 1985. This will leave only six months in the fiscal year to make presentations to local judicial education committees. The proposal, however, does not include a plan for establishing the local judicial education committees. Further, the proposal does not indicate how many presentations would be made or which local courts would be willing and able to allocate judicial time for a five to ten part series on PTSD. As a result, it is unclear whether the expanded program will result in significantly more judicial exposure to PTSD than the original proposal.

Analyst's Recommendation. Our review of the proposal to implement Res. Ch 84 indicates that the cost of the proposal is over twice the amount which the council advised the Legislature would be needed to carry out the intent of the measure. Further, the information we have received about the proposal is not detailed enough to allow us to determine whether the expanded program will achieve its objective of educating significantly more judges about PTSD than the program as originally proposed. Accordingly, we recommend that the Judicial Council implement the measure as originally proposed, at the level of funding originally proposed (\$75,000), for a General Fund savings of \$79,240.

Family Law Program

We recommend approval.

Chapter 893, Statutes of 1984 (AB 2445), requires the Judicial Council to undertake various activities in order to improve court family mediation and conciliation services. The measure specifically requires the Judicial Council to (1) provide research and demonstration grants related to family law matters, (2) implement a uniform statistical reporting system for family law issues, (3) administer a training program for court personnel involved in family law matters, (4) assist counties in implementing mandatory mediation of child custody and visitation disputes, and (5) establish an advisory committee to recommend grant funding priorities.

The measure imposed a \$3 surcharge on certified copies of marriage and divorce records. The state General Fund receives 90 percent of these funds, estimated to total up to \$450,000 annually. Counties may retain up to 10 percent to defray collection costs.

The budget requests \$187,000 for activities associated with provisions of Chapter 893 in 1985-86. The Judicial Council specifies that it intends to:

1. Establish an advisory committee,
2. Sponsor two conferences on family law, and
3. Contract with a consultant to conduct needs assessments and assist in establishing priorities and guidelines for grant funding.

Our review of the proposal indicates that these activities are consistent with the provisions of Chapter 893. Accordingly, we recommend approval of the request.

JUDICIAL COUNCIL—CAPITAL OUTLAY

Item 0250-301 from the General
Fund, Special Account for
Capital Outlay

Budget p. LJE 15

Requested 1985-86	\$1,720,000
Recommended reduction	1,720,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis
page

1. **San Francisco State Building Remodel. Reduce by \$218,000.** Recommend working drawing funds to remodel space assigned to the courts in the San Francisco state building be deleted because no information has been provided to justify the requested amount. 20
2. **Orange County County Courthouse Remodeling—Reduce by \$1,502,000.** Recommend construction funds to remodel the Orange County Courthouse to accommodate the Third Division, Fourth Appellate District be deleted because no information has been provided to justify the requested amount. 20

ANALYSIS AND RECOMMENDATIONS

The Legislature Has Not Been Given Adequate Information To Justify the Request

We recommend deletion of Item 0250-301-036(1), \$218,000 for working drawings to alter the San Francisco building, and Item 0250-301-036(2), \$1,502,000 in construction funds to remodel the Orange County courthouse, because no information has been provided to the Legislature to justify the amounts requested.

The budget includes funds for two projects intended to remodel space occupied by the courts.

San Francisco Remodel. The Governor's Budget indicates that working drawing funds (\$218,000) are requested for a project to alter 13,000 square feet of office space in the San Francisco State Building. This 13,000 square feet, however, represents the *increase* in area to be provided to the courts. The total area to be altered for the courts is 101,500 square feet.

The 1984 Budget Act appropriated \$193,000 for preliminary plans for this project. Based on language in the *Supplemental Report of the 1984 Budget Act*, (1) the approved project is to include altering the third, fourth and fifth floors of the San Francisco State Building, (2) the remodeled space is to include 32,500 assignable square feet (asf) for the Supreme Court, 39,200 asf for the First District, State Court of Appeals, 28,000 asf for administrative offices of the courts and 1,800 asf for the Commission on Judicial Performance, (3) preliminary plans for the project were to be completed in October 1984 and (4) the estimated total cost of the planned renovations is \$4.4 million.

Orange County Remodel. The budget includes \$1,502,000 to modify space in the old Orange County Courthouse in Santa Ana to accommodate the Third Division of the Fourth Appellate District. The Budget Act of

1984 appropriated \$146,000 for preliminary plans and working drawings for this project.

The Legislature has not been given adequate information to justify the funds requested for either of these two projects. No preliminary plans or cost estimates have been submitted for either project. Thus, the Legislature has no more information on these projects than it had when the projects were considered in connection with the 1984-85 budget. Under these circumstances we recommend that the requested funds be deleted.

Clearly, the Legislature wishes to proceed with these two projects. In the event the Judicial Council is able to establish a need in the budget year for the requested amount, we will revise our recommendation accordingly.

CONTRIBUTIONS TO JUDGES' RETIREMENT FUND

Item 0390 from the General Fund	Budget p. LJE 15
Requested 1985-86	\$22,921,000
Estimated 1984-85.....	18,832,000
Actual 1983-84	15,516,000
Requested increase \$4,089,000 (+21.7 percent)	
Total recommended reduction	None

1985-86 FUNDING BY ITEM AND SOURCE

Item-Description	Fund	Amount
0390-001-001-Supreme and Appellate Court Judges		
-Budget Act Appropriation	General	\$1,174,000
-Government Code Section 75101	General	610,000
0390-101-001-Superior and Municipal Court Judges		
-Budget Act Appropriation	General	13,907,000
-Government Code Section 75101	General	7,230,000
Total		\$22,921,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis page

1. New Retirement Plans. Recommend the enactment of legislation establishing new benefit structure for future judges. 23

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 to the fund include (1) state General Fund contributions equal to 8 percent of the payroll for all authorized judgeships, (2) contributions equal to 8 percent of salary from the active judges, (3) fees on civil suits filed in municipal and superior courts, and (4) direct General Fund appropriations needed to keep the fund solvent on a year-

CONTRIBUTIONS TO JUDGES' RETIREMENT FUND—Continued

to-year basis. Expenditures from the fund are primarily for retirement and survivor benefits.

In the current year, the fund will receive contributions from about 1,300 active judges, and will pay benefits to about 480 retired judges and about 300 survivors.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes four General Fund appropriations (under two items) totaling \$22,921,000 as the state's contribution to the Judges' Retirement Fund (JRF) in 1985-86. The \$22.9 million consists of \$7.8 million (equivalent to 8 percent of judicial salaries) in state statutory contributions and \$15.1 million in Budget Bill appropriations needed to meet the cost of the projected benefit payments during 1985-86. Without these latter appropriations, the JRF—which has no reserve funds—would be insolvent, since the anticipated receipts from all other funding sources would finance only about 57 percent of the projected benefit payments in the budget year. Under current law, the deficit in the JRF must be paid from the state General Fund.

Table 1
Judges' Retirement Fund
Revenues and Expenditures
1983-84 through 1985-86
(dollars in millions)

	Actual 1983-84	Estimated 1984-85	Proposed 1985-86	Change, 1985-86 over 1984-85	
				Amount	Percent
<i>Beginning Reserves</i>	\$2.1	\$2.1	\$0.9	-\$1.2	-57.1%
<i>Revenue</i>					
<i>State Contributions:</i>					
Statutory (8 percent)	6.5	7.3	7.8	0.5	6.8
Budget Act (deficiency)	8.9	10.4	15.1	4.7	45.2
Budget Act (administration)	0.1	0.2 ^a	0.2 ^a	—	—
Deficiency Bill (proposed)	—	1.1	—	-1.1	-100.0
Subtotals, State Contributions	(\$15.5)	(\$19.0)	(\$23.1)	(\$4.1)	(21.6%)
<i>Nonstate Contributions:</i>					
Judges' Contributions	\$6.6	\$7.1	\$7.6	\$0.5	7.0%
Filing Fees & Others	3.6	3.8	3.8	—	—
Investment Income	0.5	0.6	0.6	—	—
Subtotals, Nonstate Contributions	(\$10.7)	(\$11.5)	(\$12.0)	(\$0.5)	(4.3%)
Totals, Revenue	\$26.2	\$30.5	\$35.1	\$4.6	15.1%
<i>Expenditures</i>					
Benefits and Refunds	\$26.4	\$31.7	\$35.2	\$3.5	11.0%
Assignments	-0.3	-0.3	-0.3	—	—
<i>Olson v. Cory</i>	—	0.2	—	0.2	-100.0
Administrative costs	0.1	0.2	0.2	—	—
Totals, Expenditures	\$26.2	\$31.8	\$35.1	\$3.3	10.4%
<i>Ending Resources</i>	\$2.1	\$0.9 ^b	\$0.9	—	—

^a These amounts were inadvertently excluded from the current-year and proposed budget-year appropriations. The Department of Finance proposes to correct this problem by requesting (1) a deficiency appropriation for 1984-85 and (2) a budget augmentation for 1985-86.

^b Details do not add to totals due to rounding.

Total General Fund appropriations proposed in 1985-86 are \$4,089,000, or 22 percent, more than the estimated contributions for the current year. This increase is due to higher judges salaries and to projected increases the retiree benefits. Revenues and expenditures for the JRF in the prior, current and budget years are shown in Table 1.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The proposed \$22.9 million in General Fund appropriations are necessary to finance the anticipated cost of benefits provided under the Judges' Retirement System (JRS) during 1985-86. Given the state's statutory responsibility to finance any deficit in the fund, we recommend approval of the amount proposed. We further recommend, however, that the Legislature take action to ensure that it will not continue to face these deficits in the future.

Scope of the JRS Funding Problems

Basically, there are two components of the JRS's funding problem:

- **"Normal Costs" Are Not Being Funded.** The "normal cost" of JRS benefits (that is, the cost of funding retirement benefits being earned in a given year) exceeds the annual revenues to the JRF. The "normal cost" of the system in 1979-80 (the last year for which complete information is available) was 34 percent of payroll, while total income to the fund amounted to only a little more than 30 percent. Thus, as of 1980, normal costs were underfunded by an amount equal to 4 percent of payroll.
- **The System Has a Large Unfunded Liability.** Because the JRS has been funded on a "pay-as-you-go" basis, rather than on a "reserve" basis, it has a large unfunded liability (that is, the cost of benefits earned in *prior* years are not covered by current assets). Based on the latest actuarial valuation (1980), the system's unfunded liability is more than \$.5 billion. It would take annual payments equal to 42 percent of total salary for the next 30 years to eliminate this unfunded liability.

In last year's *Analysis* (please see pages 24-26), we encouraged the Legislature to address the "normal cost" shortfall first. Toward this end, we offered several options, including both alternatives which maintain the existing benefit structure and those which provide *modified* or *new* benefit structures.

Legislature Should Provide New JRS Benefit Structures

We recommend the enactment of legislation establishing new retirement programs for future judicial appointees.

Our analysis indicates that the existing JRS benefit structure has the following shortcomings:

- **Lack of Choice for Judges.** Currently, a judge is *required* to join the JRS and pay 8 percent of his/her salary to the system. Furthermore, a *single* benefit program is offered, which cannot possibly meet the needs of *all* judges.
- **Judges Cannot Take Advantage of Opportunities to Realize Federal Tax Savings.** Under the existing system, judges must pay their contributions from *after-tax* income. Under existing federal law,

CONTRIBUTIONS TO JUDGES' RETIREMENT FUND—Continued

however, there are retirement plans which allow for such contributions to be made from *pre-tax* income.

- ***The Cost to the State May Be Too High.*** As noted above, the “normal cost” to the JRS program is equal to about 34 percent of payroll, making the JRS the most costly state retirement system by far. Its “normal cost,” for example, is *twice* as much as the normal cost of the State Teachers' Retirement System's program and *three times* that of the Public Employees' Retirement System (PERS) program for miscellaneous members. In addition, the *state's* share of JRS “normal costs”—approximately 18 percent—is over twice what it is for most of its civil service employees.
- ***The State Is the Provider of Last Resort.*** Under the existing program, the state is—for all intents and purposes—fiscally liable for all past and future funding shortfalls.

In order to both provide judges with benefits they currently do *not* enjoy (greater choice and flexibility in designing their retirement program, and the opportunity to realize federal tax savings) and control the state's financial exposure under the JRS, we recommend the enactment of legislation providing new retirement options to future judges.

The following options are illustrative of the new “tiers” that could be offered:

- ***A defined contribution plan*** [as authorized under Internal Revenue Code Sections 401(a) or 401(k)], which would permit substantial tax-deferred employees' contributions and accumulation of interest, a variety of investment vehicles, possible borrowing privileges, and favorable withdrawal provisions;
- ***A lower-tier defined benefit plan supplemented by a defined contribution plan***, providing both individual flexibility and basic retirement security;
- ***A modified defined benefit plan***, with tax savings to participants through employer pickup of employees' contributions [under Internal Revenue Code Section 414(h)(2)]; and
- ***A salary increase*** in lieu of providing any plan, which would give judges complete flexibility in structuring their own benefit program.

SALARIES FOR SUPERIOR COURT JUDGES AND BLOCK GRANTS FOR SUPERIOR COURT JUDGES

Items 0420-0440 from the General Fund

Budget p. LJ E 17-18

Requested 1985-86	\$55,336,000
Estimated 1984-85.....	54,337,000
Actual 1983-84	47,596,000
Requested increase (excluding amount for salary increases) \$999,000 (+1.8 percent)	
Total recommended reduction	None

1985-86 FUNDING BY ITEM AND SOURCE

Item—Description	Fund	Amount
0420-101-001—Judges' salaries and benefits	General	\$44,056,000
0440-101-001—Block grants	General	11,280,000
Total		\$55,336,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis page

- Salaries Underbudgeted. Recommend that the Department of Finance report to fiscal committees prior to budget hearings on the ability of the state to pay its share of superior court judges' salaries and benefits with the amount budgeted for that purpose.

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GENERAL PROGRAM STATEMENT

The state pays 87 percent to 93 percent of the salaries and the full cost of health benefits provided to the state's 687 superior court judges.

Currently, each county contributes \$5,500, \$7,500, or \$9,500 per year toward each judge's salary, depending on the county's population. The state pays the balance of each judge's salary, which is now set at \$72,763. The counties' share of total salary costs has not changed since 1955, when the program began.

OVERVIEW OF THE BUDGET REQUEST

Table 1 summarizes expenditures for superior court judges' salaries and health benefits, as well as expenditures for block grants to counties, for the past, current, and budget years.

As shown in Table 1, the budget proposes an appropriation of \$44,056,000 from the General Fund to cover the state's share of superior court judges' salaries and health benefits. This amount is \$999,000, or 2.3 percent, more than estimated current-year expenditures for salaries and benefits. The increase would provide for the full-year cost of salary increases granted superior court judges on January 1, 1985. The increase will grow by the cost of any further increase in judges' salaries above the current level that may be approved by the Legislature for the budget year. Any such increase would be funded from the Employee Compensation Item (9800).

The budget also proposes an appropriation of \$11,280,000 from the General Fund to provide block grants to counties in support of 188 superior court judgeships. This is the same amount appropriated for the current year.

SALARIES FOR SUPERIOR COURT JUDGES AND BLOCK GRANTS FOR SUPERIOR COURT JUDGES—Continued

Table 1
**State Expenditures for
 Salaries, Health Benefits, and Block Grants
 for Superior Court Judgeships
 1983-84 through 1984-85
 (dollars in thousands)**

Expenditures	Actual 1983-84	Estimated 1984-85	Proposed 1985-86	Change From 1984-85	
				Amount	Percent
Salaries (Item 0420)	\$36,780	\$42,419	\$42,948	\$529	1.2%
Health benefits (Item 0420)	1,336	1,559	1,608	49	3.1
Salary Savings	—	-921	-500	-421	-45.7
Subtotals, Item 0420	(\$38,116)	(\$43,057) ^a	(\$44,056)	(\$999)	(2.3%)
Block grants (Item 0440)	9,480	11,280	11,280	—	—
Totals	\$47,596	\$54,337	\$55,336	\$999	1.8%

^a Includes \$2,786,880 which was appropriated in Ch 1311/84 to the State Controller for disbursement to counties. Due to a technical error in the legislation, further legislation is necessary to transfer the funds into this budget item.

ANALYSIS AND RECOMMENDATIONS

Legislation Needed to Correct Technical Budgeting Error. Chapter 1311, Statutes of 1984, authorized 30 new superior court judgeships and appropriated \$2,786,880 from the General Fund for associated salary (\$1,800,000) and block grant (\$986,880) costs. The statute appropriated the funds to the State Controller for distribution to the counties through the local mandate process. Because the funds were not appropriated to augment Items 0420 and 0440—the salary and block grant items in the 1984 Budget Act—these items do not contain funding sufficient to cover the *current-year* salary and block grant costs. The budget indicates that the administration will propose legislation to transfer the funds appropriated in Chapter 1311 to the salaries and block grant items in the current year. Our analysis indicates that such legislation is necessary to provide adequate funding for these items.

Salaries Underbudgeted

We recommend that the Department of Finance report to the Legislature prior to budget hearings on how it proposes to fund the state's share of superior court judges' salaries and benefits.

The Governor's Budget indicates that a total of \$50,361,000 will be needed to pay superior court judges' salaries and health benefits in 1985-86. The budget includes \$44,056,000 from the state General Fund to offset these costs, and indicates that \$6,305,000 will be paid by counties. It also assumes that salary savings will total \$500,000 in the budget year.

Our calculations, however, indicate that the total amount needed to support salary and benefits for 687 judges in 1985-86 will be \$51,096,000, or \$735,000 more than the amount indicated in the budget. Because the counties' contribution to offset these costs is set by statute, the state's share appears to be underbudgeted significantly.

Accordingly, we recommend that the Department of Finance report to the legislative fiscal committees on how it proposes to fully fund superior court judges' salaries and benefits.

NATIONAL CENTER FOR STATE COURTS

Item 0460 from the General Fund

Budget p. LJE 18

Requested 1985-86	\$50,000
Estimated 1984-85.....	50,000
Actual 1983-84	14,000
Requested increase: None	
Total recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The budget proposes an appropriation of \$50,000 from the General Fund to cover California's membership fee in the National Center for State Courts. This is the same amount appropriated for the current year. Members of the center include all 50 states, four territories, and the District of Columbia. The \$50,000 fee is approximately 23 percent of California's actual assessment (which is based on the state's population), and amounts to approximately 2 percent of the membership fees collected by the center from all states. 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.

GOVERNOR'S OFFICE

Item 0500 from the General Fund

Budget p. LJE 19

Requested 1985-86	\$5,170,000
Estimated 1984-85.....	5,170,000
Actual 1983-84	4,732,000
Requested increase (excluding amount for salary increases): None	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The California Constitution grants the supreme 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 currently receives a salary of \$49,100.

The Governor's office has 85 authorized personnel-years in the current year.