

Agenda Report

TO: Honorable Mayor and City Council

THROUGH: Legislative Policy Committee

FROM: City Attorney/City Prosecutor

SUBJECT: SUPPORT FOR USE OF SB1407 FUNDS FOR THE RETENTION OF COURTROOMS IN LOS ANGELES COUNTY

RECOMMENDATION:

It is recommended that the City Council:

1. Find that there is an urgent need to retain a sufficient number of courtrooms in Los Angeles County to adequately process the number of cases heard in the county.
2. Authorize the Mayor to send correspondence to the appropriate officials recommending a two year diversion of SB 1407 funds to support the retention of these courtrooms.

BACKGROUND:

Los Angeles County currently has 622 courtrooms. This is the largest court system in the United States. Due to the current financial crisis and an ongoing structural deficit, the L.A. Superior court is suffering a \$79 million deficit in the current year. Authorities suggest that this deficit will grow to \$140 million each year by 2012. As a result 329 clerical employees were laid off on March 16th with the anticipation of another 500 employees by year's end and more than 1800 by FY2013. Over the next three years, court staff expects the closure of more than 182 courtrooms (studies indicate that each courtroom requires a staff of ten employees to operate).

Court closures and employee lay-offs will impact the City of Pasadena as well. Approximately 15% of civil cases filed or defended by our City Attorneys are heard in Pasadena courts, nearly 6,000 misdemeanor filings each year are prosecuted by our City Prosecutors and Pasadena Police officers cite an average of 2,500 traffic offenders each month. Considering the daily presence of litigants, witnesses, jurors,

fine payers and employees, as many as 3,000 persons pass through the courthouse in a day all parking,

buying and eating locally. The loss of courtrooms will impact the City of Pasadena by a resulting delay in the resolution of all matters including quality of life offenses and early resolution of domestic matters.

Judge Tim McCoy, presiding judge for the Los Angeles Superior Courts, has suggested a temporary solution to the fiscal crisis facing California courts: use a fund set aside for renovating and building courthouses. SB 1407 was enacted in 2008 requiring that a certain percentage of civil filing fees and traffic fines be directed to a state court facilities construction fund. That fund will be used to repay state bonds which have yet to be issued for the rebuilding effort. For example: currently \$30 from each new civil complaint, \$15 in every "fix-it" ticket and \$25 for anyone requesting "traffic school" is placed into a special reserve fund. However, since the rebuilding bonds have not yet been issued this money is awaiting that use. Judge McCoy argues that using this money for the next two years will soften the blow to local courts by reducing the number of employees subject to layoff and retaining more courtrooms, especially the family law, probate and civil courtrooms most likely to close under the current scenario. Attached is the presentation given to the Legislative Policy Committee by Supervising Judge Mary Thornton House and Judge Philip Soto both of the Pasadena Judicial District, which describes this issue and some of the impacts.

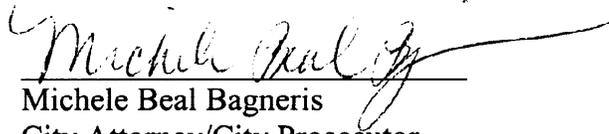
The solution proposed by Judge McCoy suggests that the \$83 million collected each year from Los Angeles County cases in SB 1407 funds be redirected. This amount would spare 138 courtrooms from possible permanent closure and markedly improve the delay of civil cases from the current sixteen months to an anticipated forty-five months that would be caused by the loss of these courtrooms.

The Legislative Analyst's review of SB 1407 indicates these monies "shall only be used for the planning, design, construction, rehabilitation, renovation, replacement, leasing or acquisition of court facilities" and the Chief Justice of the California Supreme Court has indicated his opposition to the use of these monies to pay for personnel. However, as no bonds have yet been issued or courthouse renovations begun, it may be possible to divert or otherwise temporarily fund the retention of courtrooms until the present crisis is managed. Correspondence supporting this use addressed to the Administrative Office of the Courts and the State Legislature are the best way of showing that support. The local judges ask for our help specifically to retain the facilities in Pasadena where two juvenile divisions, two family law courts, the juvenile traffic court and four civil courts may be shuttered.

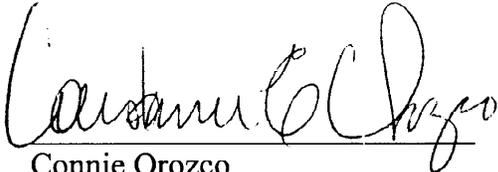
Many of the personnel staffing these courtrooms, from clerks to judges and commissioners live in Pasadena. All courthouse employees contribute to the local

economy. Tuesday, in the first of three anticipated rounds of layoffs scheduled this year, 16 workers lost their jobs here. While the presiding and supervising judges wrestle with structural changes, the money from the SB 1407 fund can smooth the transition and provide a means to retain local justice for Pasadena's residents.

Respectfully submitted,


Michele Beal Bagneris
City Attorney/City Prosecutor

Prepared by:


Connie Orozco
Chief Prosecutor

Attachment: Superior Court Judges' Handout

CURRENT Los Angeles Superior Court MULTI-YEAR OPERATING PLAN

(Governor's February Budget with Senate Executive Budget)

Proposed - 9/23/09

FY 2009-10 FY 2010-11 FY 2011-12 FY 2012-13

Deficits \$79.3 \$120.0 \$140.4 \$138.9

Savings Activity:

1 Current Expenses
2 Current Revenues
3 Operating Surplus / Deficit

S&S

Furlough/Closure

Attrition

Layoffs

Cumulative Workforce Loss (485) (1,141) (1,827) (1,827)

Line	Component	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	M
18	J.2 Current Year Program Reduction/ Elimination						
19	K.1 Court Closure Related Layoff Savings						
20	K.2 Court Closure Related S&S Savings						
21	K.3 Court Closure Related Security Savings						
22	L Revenue Enhancements						
23	M Security Savings - Retiree Health						
24	N Subtotal On-going Savings						
25	Anticipated Use of Reserve						
26	O.1 Attrition and Program Reduction Related						
27	O.2 Outstanding Cost Reduction Proposal						
28	Subtotal Reserve Usage						
29	Total Budget Savings - Activity						
30	Current Year Operating Surplus/(Deficit)						
31	Court Operations "Working" Fund Balance Only						
32	Beginning Balance - Discretionary						
33	Less: Anticipated Reserve Usage (Line 27)						
34	Current Year Surplus/(Deficit) (Line 29)						
35	Ending "Working" Fund Balance						

10:1

Notes:

- (1) Includes savings related to attrition prior to July 2009 (approx. 30 positions). In addition, in the second and third year, savings amount reduced to reflect A.C.'s agreement to calculate turnoff cost based on calendar days and not work days.
- (2) Contingent on continued access to SB 1407 funds, status of actual State revenue collections, available CCMS funding, and continuation of \$100 m one-time reduction in the Governor's January Budget Proposal of 2010.
- (3) Assumes approval of 2010 Budget Act on or before August 30, 2010.

Cumulative Workforce Loss (485) (1,141) (1,827)

Criminal

Civil (non-criminal)



Year 1 - Family 5
Jury 5
Civil 38

48 Courtrooms

Year 2 - Family 6
Jury 6
Civil 53

65 Courtrooms (113 Cumulative)

43 Courtrooms

Year 3 - Family 3
Jury 3
Civil 20

26 Courtrooms (139 Cumulative)

**1,827 Employees
34% of Workforce Lost**

$43 + 139 = 182$ Courtrooms Closed

Approx. 9 Courthouses Closed Entirely

DELAY ANALYSIS

MOSK SAMPLE

Down 1 / 2 of
Courtrooms

TIME TO EVENT

Event	47 Courtrooms	24 Courtrooms
Trial	16.4 months	45.0 months
Inventory	451 cases	1,237 cases
Per Courtroom		



TODAY

Summary of Quantified Economic Losses

Micronomics Study, December 2009 – Read complete report at:

http://www.micronomics.com/articles/LA_Courts_Economics_Impact.pdf

	Economic Output Losses (\$ Millions)	Employment Losses (Jobs)	State and Local Tax Losses (\$ Millions)
Immediate Losses	\$1,086.6	5,103	\$44.3
Legal Services Losses	12,978.1	69,052	696.7
Litigation Duration Impact	14,922.6	81,268	872.6
TOTAL	\$28,987.3	155,423	\$1,613.6

Primary Available Solutions

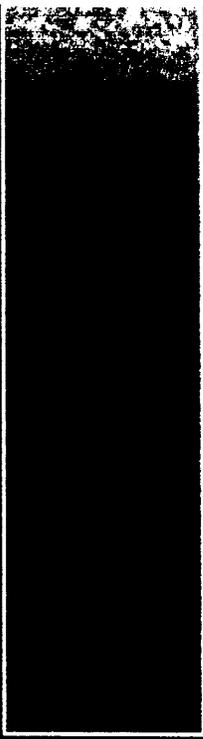
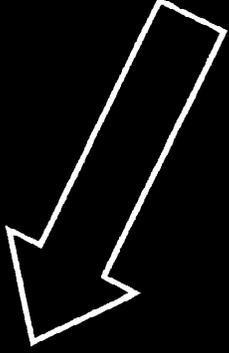
1. Shelter the Judicial Branch from additional new cuts.
2. Backfill previous cuts.
3. Create new revenues dedicated to the Judicial Branch.
4. Redirect spending on new computers (CCMS).
5. Redirect spending on new courthouses (SB 1407).

Primary Available Solutions

SB 1407 New Courthouse Development – Income Stream

\$83 million LA dollars collected locally per year

On-going income stream



**\$83 million from
Los Angeles per
year**

\$83M / \$60,000 job = 1,383 jobs = 138 courtrooms saved