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Overview of Trial Court Construction and Facility Maintenance

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Hon. Laura Richardson, Chair

LEGISLATIVE ANALYST'S OFFICE

Background

State Assumed Responsibility for Trial Court Facilities in 2002

- ***Trial Court Facilities Act of 2002.*** Chapter 1082 of 2002 (SB 1732, Escutia)—also known as the Trial Court Facilities Act of 2002—shifted ownership and responsibility for maintenance of nearly all trial court facilities from the counties to the state. (Facility transfer to the state began in 2007 and concluded in 2009.) Chapter 1082 also gave Judicial Council the authority to construct future trial court facilities.
- ***County Facility Payments.*** While the state assumed responsibility for trial court facilities, Chapter 1082 required counties to make annual payments to the state based on the amount the county had historically spent on the maintenance and operation of the transferred facilities. The state would be responsible for all maintenance and operation costs above the fixed county payment. Currently, these county facility payments total just under $98 million annually.
- ***Judicial Branch Facility Program.*** The Judicial Branch Facilities Program currently manages around 430 facilities across all 58 counties. The program is responsible for various activities including maintaining these facilities, managing leases, and constructing new courthouses to replace outdated facilities.

Trial Court Construction and Facility Maintenance Supported by Various Funds

- ***State Court Facility Construction Fund (SCFCF).*** The SCFCF supports trial court construction, facility modification, and other facility-related expenses. Its revenues—currently estimated at around $265 million annually—generally come from certain criminal and civil fines and fees. Its expenditures are roughly $330 million annually. The General Fund currently provides a backfill to the SCFCF—projected to be in the tens of millions of dollars annually between 2026-27 through 2036-37—to address its insolvency.
- ***Immediate and Critical Needs Account (ICNA).*** The ICNA was created in 2008, but was consolidated into the SCFCF as part of the 2021-22 budget to address solvency issues in both funds.

Background

(Continued)

- ***County Facilities Construction Fund (CFTF).*** The CFTF was generally created to receive the annual county facility payments ($98 million) described above. The CFTF generally supports about $200 million in costs annually, with the General Fund supporting the difference between costs and revenues (roughly $94 million).
- ***Reimbursements.*** Trial court facilities may be fully managed by the state, county, state and county, or by private entities (if the facility is leased). The state is reimbursed by counties for their share of facility costs when the state and county share space.
- ***General Fund.*** The state's General Fund has provided one-time and ongoing support for trial court construction projects, facility modifications, and deferred maintenance, as well as facility operations and maintenance.

Trial Court Construction

Projects Were Fully Supported by SCFCF (and ICNA) Until Funds Became Insolvent

- Initially, trial court construction was supported by the SCFCF and ICNA. However, both funds became insolvent due to transfers from the funds as well as declining revenues.
- Since 2009-10, nearly $1.7 billion has been transferred from the judicial branch's construction accounts to the General Fund or to support trial court operations. These redirections were originally made during the last fiscal downturn to reduce pressures on the General Fund or to offset reductions made to trial court operations.
- The amount of revenue deposited into the SCFCF—and the ICNA, before being consolidated with the SCFCF—steadily declined over time, largely due to declining criminal fine and fee revenue. This resulted in both funds becoming insolvent.
- The construction program was effectively suspended in 2012-13—with certain projects being indefinitely delayed and others being put on hold or canceled—due to the transfers from the construction funds and the declining revenue.

New Projects Supported by General Fund

- Following improvement in the state's budget condition, the construction program resumed when the 2018-19 budget provided General Fund to finance the construction of ten trial court projects—nine projects previously put on hold and one that was previously indefinitely delayed. These projects were estimated to total $1.3 billion by 2019-20—effectively backfilling the $1.4 billion that had been transferred to support the General Fund and trial court operations up to that point.
- Given the insolvency of the SCFCF, the 2021-22 budget permanently shifted support for the construction of future courthouses to the General Fund. Since then, the construction or renovation of a dozen projects have commenced.

Projects Selected Based on Ranked Need

Status of Trial Court Construction Projects Beginning in 2019-20[a]

Priority Group	Number of Projects	Estimated Project Costs (in Billions)	Number Initiated
Immediate Need	17	$2.0	12
Critical Need	26	10.6	—
High Need	17	4.7	—
Medium Need	10	3.5	—
Low Need	10	0.2	—
Totals	**80**	**$21.0**	**12**

[a] Reflects data from 2019 facility assessment, adjusted to include updated data from 2024 reassessment of Los Angeles facilities.

- The 2018-19 budget package required the judicial branch to reassess its trial court facility needs by December 2019. Facilities were measured against a wide range of factors—such as seismic, fire, and life safety; security risks; access to court services; and cost avoidance or savings realized through operational or organization efficiencies.
- The 2019 reassessment identified a need for a total of 80 construction projects totaling $13.2 billion. Adjusting for an April 2024 reassessment of the 17 Los Angeles County projects on the list increases the total estimated cost $21 billion. As shown in the figure above, these projects are categorized into five groups and are further ranked within each group.
- New trial court construction projects are generally initiated in the order of their priority ranking. The number of projects initiated annually generally depends on the condition of the General Fund and budgetary priorities.

Trial Court Facility Modifications

SCFCF and General Fund Provided Annually for Discretionary Use

- Facility modification projects involve physical changes to a facility (or its building components) that improve its designed level of functionality. Such projects are generally smaller than construction projects, which involve more significant changes (such as renovating more than 50 percent of the facility).
- The annual budget currently provides $80.4 million—$65 million from the SCFCF and $15.4 million from the General Fund—for trial court facility modification projects for use at Judicial Council's discretion.

Some One-Time General Fund Provided Separately for Specific Projects

- Separate from the annual funding, some one-time funding has been provided from the General Fund to support specific, larger facility modification projects.
- For example, budget packages have separately funded facility modification projects at the Orange Central Justice Center ($64.1 million), San Diego Hall of Justice ($49.2 million), and San Diego County East County Regional Center ($28.5 million).
- The 2026-27 budget proposes $71 million in additional General Fund—$36 million in 2026-27 and $35 million in 2027-28—for the Orange Center Justice Center project.

Projects Selected Based on Ranked Need

- Facility modification projects are categorized into one of six priority categories. In declining order, these are: (1) immediately or potentially critical, (2) necessary but not yet critical, (3) needed, (4) does not meet current codes or standards, (5) beyond rated life but serviceable, and (6) hazardous materials managed but not abated. Projects are further ranked within each category based on various factors (such as feasibility and cost/benefit).
- Judicial Council uses facility modification funding to target the highest-priority needs that arise.

Trial Court Facility Operations and Maintenance

Facility Operations and Maintenance Supported by CFTF and General Fund

- Trial court facility operations and maintenance monies are used to support ongoing facility operations, repairs, and maintenance. These include preventative and routine maintenance, equipment replacement, utilities, and leases.
- As of 2025-26, approximately $198 million—$104 million from the CFTF and $94 million from the General Fund—is provided annually to support facility operations and maintenance costs.

Deferred Maintenance Addressed by Periodic One-Time General Fund Support

- Deferred maintenance broadly refers to facility needs that are not met by the facility modification or facility maintenance monies. As of August 2025, the judicial branch identified 22,396 deferred maintenance projects—22,209 related to trial courts and 187 related to appellate courts—totaling around $5.4 billion. The state's share of these projects is estimated to be just under $4 billion.
- The state has provided one-time General Fund support for deferred maintenance in different budgets. For example, the 2021-22 budget included $188 million (available to be spent through 2023-24). However, the 2023-24 budget reverted $49.5 million of this amount to help address the state's budget problem.