

# Ventura Superior Court Financial Condition

## The Pandemic Affected Statewide Revenues for Courts

The current fiscal year (FY 2020-2021) saw a sharp drop in revenue for the Court. When the budget was passed, California was in the throes of the COVID-19 pandemic and the economic impact was severe. As a result of this, nearly \$170 million in ongoing funding was cut from the trial courts statewide.

The Court's share of this cut was \$3 million. Prior to the adoption of the Mandatory Time-Off, the Court was facing a budget short fall.

Expenditures	\$60.98 million
Revenue	\$57.38 million
<b>Deficit</b>	<b>-\$3.60 million</b>

Clearly, the primary driver of this deficit was the sharply declining revenue. However, there were also extraordinary expenditures that contributed to the deficit. These included overtime and additional pay for employees who were able to work in the offices.

The Court implemented many solutions including freezing or eliminating vacancies, suspension of 401(k) matching, and cuts in services and supplies. Additionally, the State provided one-time COVID-19 backlog funding. Of course, the largest single solution for the Court was the MTO which prevented harsher cuts such as widespread layoffs.

Even with the solutions implemented and the full payment of one-time funding, the Court still faces a year-end deficit of \$600,000. The Union will continue to meet with the Court to understand its progress.

## Next Fiscal Year a Likely Improvement, but Only to Normal

Fortunately, next fiscal year (FY 2021-2022) which begins July 1 will start to see a return to normal. The latest budget proposal, called the May Revision, includes a full restoration of the statewide cuts implemented for the current year. It also provides additional funding for inflationary costs.

Disappointingly, the Governor has not recommended additional investment in the trial court operations beyond this. Next fiscal year should see the Court return to its previous levels of funding and it should prioritize eliminating the harm to employees caused by budget solutions.

By mid-June, the State should pass a budget for next fiscal year. About a month later, the Judicial Council will allocate the funding to the trial courts and we will better understand the impact to Ventura Court. The Union and its Sacramento advocates will continue to concentrate on educating the Legislature on the importance of investment in the trial courts.