

## **The State of California or How the State Budget Crisis Affects Los Angeles County Courts**

**BHH recently received notice of additional court closures via “A View From the Bench” circulated by the Los Angeles County Superior Court to members of the Bar. In it, the court cites a significant budget crisis because of state funding cutbacks. This will seriously impact civil courts as criminal cases, family law, and juvenile cases take priority over civil cases. The court projects that within four years, as many as 180 courtrooms may be closed countywide.**

**The anticipated court closures will affect civil cases by significantly delaying trial dates and motion dates. Also, the delays may significantly raise litigation budgets simply because cases may take longer to resolve without regular court monitoring and the court’s availability to participate in settlement conferences.**

**The following is the court’s comment on court closures:**

### **Court Closures**

As a result of the serious state budget deficit, the allocation of funds to the judicial branch has been substantially reduced. In turn, the funding to the Los Angeles Superior Court has diminished. For the fiscal year 2009-2010 (ending June 30, 2010), the court currently has a \$79.3 million budget deficit.

Since the state financial crisis is expected to continue for at least the next four years, it is anticipated that the superior court deficit will grow to \$140 million by the fiscal year 2011-2012 and continue at that level for a number of years.

In response to the reality of these budgetary limitations, the court is constrained to take action to reduce the deficits by rational contraction through, among other actions, a hiring freeze and employee attrition, monthly furlough days, and employee layoffs. The court has already announced the layoff of 329 employees in March, and another 500 will be laid off later this year in September.

Ultimately, 1,800 employees, or one-third of the court work force, will have to be laid off for the court to live within its reduced budgets. Without these necessary employees, it will be impossible for the court to maintain its current level of operations. On average, 10 employees are required to support a courtroom, including in-court personnel as well as back-office staff for such functions as filing window, file maintenance, copying services, imaging, information technology, accounting, and jury services, among others. The layoff of 1,800 employees will require the closure of some 180 courtrooms.

Because criminal cases and many family law and juvenile cases have priority over civil actions, the heaviest burden of court closures will fall on our civil courts. Due to the financial crisis, it is anticipated that the superior court will most likely have to shutter over one-half of the civil courtrooms. As a necessary consequence, inventories of cases in the remaining courtrooms will increase enormously, resulting in greater delays in bringing cases to trial and having motions heard.

In response to the 2009 budgetary crisis, the Los Angeles Superior Court closed one small claims department and two limited jurisdiction departments. So far, in 2010, the court has already announced the closure of four long-cause trial departments, the specialized eminent domain department, and one complex litigation courtroom. Judge Peter Lichtman will be moving in April from Complex Litigation Center in Central Civil West to the Mosk Courthouse to establish a new settlement program. Further court closures will be announced during the year.

The court is in the process of organizing a bench-bar committee to consult and advise as to the future of civil litigation in this era of substantially reduced court resources.

**In closing, we at BHH remain committed to working with counsel to expeditiously resolve cases despite the anticipated court backlog. We aggressively work with counsel to evaluate exposure early and participate meaningfully in mediation. As possible, we pursue all avenues of alternative dispute resolution and approach case resolution creatively, “thinking outside the box,” to craft a resolution which will best serve our client.**

Comments provided by Kelli G. Hawley, Senior Partner