

Washington State Judicial Branch

2024 Supplemental Budget

Fund Division II Base Lease Costs

Agency: Court of Appeals

Decision Package Code/Title: LA – Fund Division II Base Lease Costs

Agency Recommendation Summary Text:

In 2019, the Department of Enterprise Services informed Court of Appeals, Division II that the current facility would be sold. Division II secured a new facility. In subsequent budgets (2021-23 and the 2023-25 biennial budgets), the Legislature funded escalator provisions for the lease. However, funding for the change in the base lease amount was never requested or funded. This request would fund \$343,000 ongoing in base lease costs (rent and associate parking) for Division II. (General Fund-State)

Fiscal Summary:

	FY 2024	FY 2025	Biennial	FY 2026	FY 2027	Biennial
Staffing						
FTEs	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenditures						
Fund 001-1	\$164,000	\$179,000	\$343,000	\$229,000	\$227,000	\$456,000
Total Expenditures						
	\$164,000	\$179,000	\$343,000	\$229,000	\$227,000	\$456,000

Package Description:

This request would fund changes in the Court of Appeals base lease which resulted from the 2019 sale of a state-owned facility managed by the Department of Enterprise Services (DES). The gap in base funding was discovered after: 1) the 2023-25 biennial budget included a step (92K DES Central Services) to remove \$1.2 million in base funding and 2) as the Court of Appeals managed a diminished discretionary budget throughout the 2021-23 biennium. The original base funding was restored in the 2023-25 biennial budget (8L Lease Adjustments). Those budget steps and research of intervening budget submittals highlighted that the escalator provisions under the new lease have been routinely requested and funded by the Legislature, but no request was ever made or funded to adjust the base.

Fully describe and quantify expected impacts on state residents and specific populations served:

Not applicable.

Explain what alternatives were explored by the agency and why they were rejected as solutions:

There is no alternative. The Court of Appeals Division II has entered and is managing under a new lease.

What are the consequences of not funding this request?

The Court of Appeals would face a budget deficit.

Is this an expansion or alteration of a current program or service?

No.

Decision Package expenditure, FTE and revenue assumptions:

	FY 2024	FY 2025	Total
Lease and Associated Parking	812,000	834,000	1,646,000
Escalator Provisions (2023-25 LA COA Lease Adjustment)	(43,000)	(48,000)	(91,000)
Total Base (Less Escalator Provisions)	769,000	786,000	1,555,000
Base Budget (2023-25 8L Lease Adjustment)	(605,000)	(607,000)	(1,212,000)
Total Ongoing Base Lease Adjustment	164,000	179,000	343,000

Expenditures by Object	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
E Goods and Services	164,000	179,000	229,000	227,000	229,000	227,000
Total Objects	164,000	179,000	229,000	227,000	227,000	227,000

How does the package relate to the Judicial Branch principal policy objectives?

Not applicable.

Are there impacts to other governmental entities?

Not applicable.

Stakeholder response:

Not applicable.

Are there legal or administrative mandates that require this package to be funded?

No.

Does current law need to be changed to successfully implement this package?

No.

Are there impacts to state facilities?

No.

Are there other supporting materials that strengthen the case for this request?

Not applicable.

Are there information technology impacts?

No.

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