

Judicial Impact Fiscal Note

Bill Number: 5707 SB	Title: Housing court pilot program	Agency: 055-Administrative Office of the Courts
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

STATE	FY 2024	FY 2025	2023-25	2025-27	2027-29
State FTE Staff Years	3.3	3.0	3.2	3.0	3.0
Account					
General Fund-State 001-1	792,899	722,000	1,514,899	1,444,000	1,444,000
State Subtotal \$	792,899	722,000	1,514,899	1,444,000	1,444,000
COUNTY	FY 2024	FY 2025	2023-25	2025-27	2027-29
County FTE Staff Years					
Account					
Local - Counties	3,294,000	3,294,000	6,588,000	6,588,000	6,588,000
Counties Subtotal \$	3,294,000	3,294,000	6,588,000	6,588,000	6,588,000
CITY	FY 2024	FY 2025	2023-25	2025-27	2027-29
City FTE Staff Years					
Account					
Local - Cities					
Cities Subtotal \$					

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note for Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.

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184,139.00

Request # 173-1

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Bill # 5707 SB

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

This bill would amend and add sections to RCW 59.18 (Residential Landlord-Tenant Act) mandating the Administrative Office of the Courts (AOC) to establish a housing court pilot program within district courts.

Section 1 would require AOC to implement a housing court program, subject to appropriated funds for this purpose. It outlines the following implementation requirements:

- * Defines specific county population sizes for the district court to serve; the two counties meeting the criteria are King and Spokane.
- * Directs AOC to develop criteria for the housing court pilot court program to include: a) all residential case types under Chapters 59.18 and 59.12 RCW; b) basic judicial officer training requirements defined by local court rule; c) case management practices responsive to court-related needs of landlords and tenants; d) court facilitators to provide assistance to parties with matters before the housing court; and e) emphasis on non-adversarial methods of dispute resolution.

The section also outlines reporting requirements for courts participating in the housing court pilot program and for AOC reporting to the Legislature. This section would expire July 1, 2033.

Section 2 would require the district court judges with housing court pilot programs to adopt local court rules directing the program comply with criteria established by AOC. It would require judges to undergo initial and ongoing training covering the laws and procedures that govern residential landlords and tenants, including forcible entry and forcible and unlawful detainer. It would also require the rules address confidentiality by sealing court records. This section would expire July 1, 2033.

Section 3 would amend RCW 59.18.370 adding jurisdiction for district courts to hear unlawful detainer actions. This section would expire July 1, 2033.

II. B - Cash Receipts Impact

None

II. C - Expenditures

There is a question regarding whether the district courts have constitutional authority to hear these types of cases. For the purposes of this judicial impact note, the assumption is that the changes proposed by the bill would be deemed constitutional.

This bill would have fiscal impact on the AOC and the district courts with housing court pilot programs. The impact to the courts is difficult to accurately estimate. While the number of cases in King and Spokane superior courts would decrease with a shift to the counties' housing court pilot programs in district court, the overall number of cases for each county would net to zero overall. This judicial impact note makes a best estimate of the number of cases that would shift from superior courts to the district courts housing pilot programs based upon superior court caseload data.

ADMINISTRATIVE OFFICE OF THE COURTS

The fiscal impact to the AOC would include: program development, training, and management, district court case management system changes for Judicial Information System (JIS) and Enterprise Justice, and court facilitator costs.

HOUSING COURT PILOT PROGRAM DEVELOPMENT, TRAINING, AND MANAGEMENT

FY 2024 = \$792,889

FY 2025 and ongoing = \$722,000

Staffing Assumptions:

Senior Court Program Analyst (1.0 FTE), Court Program Analyst (1.0 FTE), and Research Assistant (1.0 FTE). Beginning July 1, 2023 and ongoing, AOC would require salary, benefits, and associated standard costs for 3.0 FTE to develop and manage the program and coordinate the required judicial training.

Other Non-Standard Costs:

Funding for consultants with lived experience to engage trainers and provide stipends for people with lived experience to participate in the trainings and on statewide steering committees.

Contracts: \$15,000 per fiscal year

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This judicial impact note assumes an Annual Washington Housing Courts All Sites meeting event space, event costs, and travel.

Goods and Services: \$2,000 per fiscal year

Travel: \$15,000 per fiscal year

National conference attendance for AOC housing court team members where they would receive state-of-the-art training and networking opportunities with peers and experts from across the nation.

Goods and Services (registration): \$2,000 per fiscal year

Travel: \$9,000 per fiscal year

Pilot Site Court Observations assumed three times per year.

Travel: \$15,000 per fiscal year

CASE MANAGEMENT SYSTEM CHANGES

The bill would create a pilot housing court program for the courts of limited jurisdiction (CLJ) in King and Spokane counties to hear all unlawful detainer issues currently only heard in the superior courts. All codes currently used by the superior courts for processing these types of cases (over 400 codes) would need to be added to CLJ case management systems (JIS and Enterprise Justice) and mapped to the new sources of data in the central judicial data repository for reporting purposes (Enterprise Data Repository or EDR). The bill would also require modification to caseload reporting, creation of new reports, and development of bench books and training materials for judges and court staff to define how these cases must be entered and processed in this court level.

Section 2 would require local rules to address confidentiality by sealing court records and providing law enforcement access to the sealed eviction records. AOC assumes this will be done manually at the court office and not require major system changes to access this information.

\$56,500 based on 580 staff hours at an average of approximately \$57 per hour across multiple job classifications needed to implement the systems changes (Business Analyst, System Integrator, Senior System Integrator, IT Supervisor, and Manager).

COURT FACILITATOR PASS-THROUGH

The AOC would also provide \$100,000 to each of the pilot housing courts to fund the court facilitators required under the bill.

AOC STAFF IMPACTS INCLUDE STANDARD COSTS

Explanation of standard costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 31.89% of salaries.

Goods and Services are the agency average of \$3,800 per direct program FTE.

Travel is the agency average of \$2,500 per direct program FTE.

One-time IT Equipment is \$4,800 for the first fiscal year per direct program FTE. Ongoing Equipment is the agency average of \$1,600 per direct program FTE.

Agency Indirect is calculated at a rate of 24.73% of direct program salaries and benefits.

SUPERIOR COURTS

No Fiscal Impact

Where the bill adds pilot housing court programs to district court in King and Spokane counties, this judicial impact note recognizes fewer cases will remain in superior court and, instead, be heard in the district pilot housing court programs. However, there will not be a cost savings to superior court as existing judges and staff would redirect their efforts to provide adequate time and attention to other cases before the court and to reducing caseload backlogs.

DISTRICT COURTS

The bill would create two new pilot courts: one in King County and one in Spokane. The assumption for this judicial impact note is that majority of unlawful detainer (UND) caseload normally heard in King and Spokane County Superior Court would now be heard in King and Spokane County District Court.

Pre-COVID, King County Superior Court averaged 4,700 UND cases per year. The eviction moratorium dramatically reduced those cases to an average of 800 per year in 2020 and 2021. The UND cases in King County Superior Court rose to 2,321 in 2022. With the eviction moratorium lifted, this judicial impact note assumes that UND cases will continue to rise in King County and the caseload for the new

pilot housing court would rebound to pre-COVID numbers.

Pre-COVID, Spokane County Superior Court averaged 1,400 UND cases per year. The average during 2020 and 2021 was 475 per year. In 2022, 1,056 UND cases were filed. This judicial impact note assumes that these cases would continue to rise in Spokane because of the eviction moratorium being lifted and the potential for a backlog of cases to be filed.

Statewide, an estimated 6,000 UND cases per year may have to be absorbed by these two pilot housing courts.

Judicial time for handling these cases can vary greatly. As written, the bill expects judicial officers to take more time in handling these cases, so hearing times are likely to be significantly longer than what was averaged in the superior courts.

Superior Court clerks and administrators reported a minimum of 30 minutes of judicial time per case. If the hearing was contested, that time could be doubled. There is no way to estimate percentage of these cases that may be contested. For this judicial impact note, the assumption to handle this workload is an average of 45 minutes per case.

Counties annual cost = \$3,294,000

Part III: Expenditure Detail

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III. A - Expenditure By Object or Purpose (State)

<u>State</u>	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.3	3.0	3.2	3.0	3.0
Salaries and Wages	300,685	267,700	568,385	535,400	535,400
Employee Benefits	95,818	85,300	181,118	170,600	170,600
Professional Service Contracts	215,000	215,000	430,000	430,000	430,000
Goods and Other Services	16,456	15,400	31,856	30,800	30,800
Travel	47,195	46,500	93,695	93,000	93,000
Capital Outlays	19,645	4,800	24,445	9,600	9,600
Inter Agency/Fund Transfers					
Grants, Benefits & Client Services					
Debt Service					
Interagency Reimbursements					
Intra-Agency Reimbursements	98,100	87,300	185,400	174,600	174,600
Total \$	792,899	722,000	1,514,899	1,444,000	1,444,000

III. B - Expenditure By Object or Purpose (County)

<u>County</u>	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
Salaries and Benefits					
Capital					
Other	3,294,000	3,294,000	6,588,000	6,588,000	6,588,000
Total \$	3,294,000	3,294,000	6,588,000	6,588,000	6,588,000

III. C - Expenditure By Object or Purpose (City)

<u>City</u>	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
Salaries and Benefits					
Capital					
Other					
Total \$					

III. C - Expenditure By Object or Purpose (City)

NONE

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III. D - FTE Detail

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Business Analyst/System	118,750	0.3		0.2		
Integrator/Manager						
COURT PROGRAM ANALYST	91,500	1.0	1.0	1.0	1.0	1.0
RESEARCH ASSISTANT	75,100	1.0	1.0	1.0	1.0	1.0
SENIOR COURT PROGRAM	101,100	1.0	1.0	1.0	1.0	1.0
ANALYST						
Total FTEs		3.3	3.0	3.2	3.0	3.0

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE