

The background of the slide features a large, faint, circular seal of the Judicial Council of California. The seal depicts a central figure, likely a personification of Justice, seated and holding a scale. The figure is surrounded by various symbols including a ship, a mountain range, and a sun. The text "JUDICIAL COUNCIL OF CALIFORNIA" is written around the perimeter of the seal, and the year "1926" is at the bottom. The word "EUREKA" is also visible within the seal's design.

# 2 Percent Reserve Process and Minimum Operating and Emergency Fund Balance Policy

Judicial Council Meeting

October 28, 2014

# Trial Court Trust Fund

## 2% State -Level Reserve Allocation Process

- Current Process
- October 3<sup>rd</sup> – Up to 75% for *urgent needs due to unavoidable funding shortfalls.*
- November 1<sup>st</sup> - March 1<sup>st</sup> for *urgent needs due to unforeseen emergencies or unanticipated expenses for existing programs.*
- After March 1<sup>st</sup> – unexpended funds distributed to the trial courts.



# Trial Court Trust Fund

## 2% State -Level Reserve Allocation Process

- July 29, 2014 Recommendation
- October 3<sup>rd</sup> – Up to 75% for *urgent needs due to unavoidable funding shortfalls.*
- November & December for *urgent needs due to unforeseen emergencies or unanticipated expenses for existing programs.*
- January – unexpended funds distributed to the trial courts.



# Trial Court Trust Fund 2% State -Level Reserve Allocation Process

- Recommendation 1
- January– Distribute 75% of the remaining unexpended funds to the trial courts.
- February– March 1<sup>st</sup> the remaining 25% would be available for *urgent needs due to unforeseen emergencies or unanticipated expenses for existing programs*.TCBAC review and approval



# Trial Court Trust Fund 2% State -Level Reserve Allocation Process

- Recommendation 2
- March 1<sup>st</sup> – June 30<sup>th</sup> – cash advance loan pursuant to GC 68502.6.
- Review by TCBAC work group for preliminary approval for reimbursement from 2% state level reserve in October.



# Trial Court Trust Fund 2% State -Level Reserve Allocation Process

- Recommendation 3
- TCBAC to propose amendments to the statute establishing reserve working with CEAC, PCLC and TCPJAC for inclusion in trailer bill language to 2015 Budget Act



# Minimum Operating and Emergency Fund Balance Policy

- Previous Council Action
- Minimum operating and emergency fund balance policy, was suspended by the council for two years on August 31, 2012.
- Suspended due to *GC 77203 requiring a 1% cap on fund balances and GC 68502.5 established 2% state level reserve in TCTF*



# Minimum Operating and Emergency Fund Balance Policy

- July 29, 2014 Recommendation
- Terminate the minimum operating and emergency fund balance policy, which was suspended by the council for two years on August 31, 2012.



# Minimum Operating and Emergency Fund Balance Policy

- Recommendation 4

- Extend suspension of the minimum operating and emergency fund balance policy until June 30, 2016.



- End of Presentation



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