



**Judicial Council of California**  
ADMINISTRATIVE OFFICE OF THE COURTS

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April 4, 2006

Ms. Diane F. Boyer-Vine  
Legislative Counsel  
State of California  
State Capitol, Suite 3021  
Sacramento, California 95814

Mr. Michael C. Genest  
Director, Department of Finance  
State Capitol, Room 1145  
Sacramento, California 95814

Mr. Gregory P. Schmidt  
Secretary of the Senate  
State Capitol, Room 400  
Sacramento, California 95814

Mr. E. Dotson Wilson  
Chief Clerk of the Assembly  
State Capitol, Room 3196  
Sacramento, California 95814

RE: Annual Report of Trial Court Interpreter Expenditures for Fiscal Year 2004-2005

Dear Ms. Boyer-Vine, Mr. Genest, Mr. Schmidt, and Mr. Wilson:

Attached is the Judicial Council report required under item 0450-101-0932, provision 4 of the Budget Act of 2005 (Stats. 2004, ch. 208) on trial court interpreter expenditures for Fiscal Year 2004-2005.

March 16, 2009

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If you have any questions related to this report, please contact Kenneth Kann, Acting Director, Executive Office Programs Division, at 415-865-7661.

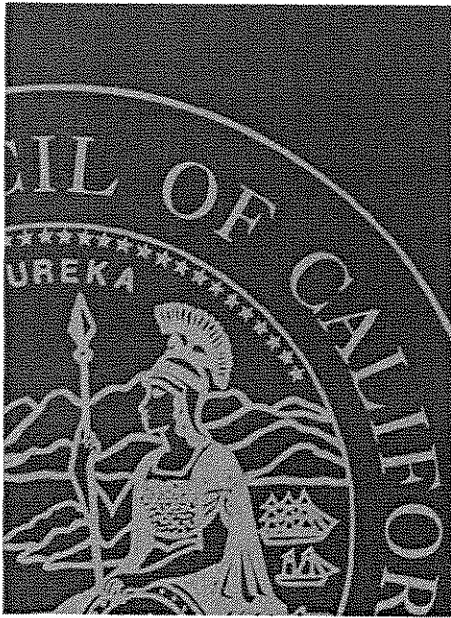
Sincerely,

William C. Vickrey  
Administrative Director of the Courts

WCV/MG/ch

Attachment

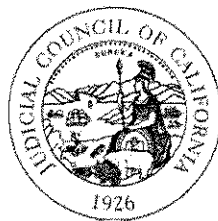
cc: Members of the Judicial Council  
Kathleen T. Howard, Director, Office of Governmental Affairs  
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# **Trial Court Interpreters Program Expenditure Report for Fiscal Year 2004–2005**

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REPORT TO THE LEGISLATURE  
APRIL 2006



JUDICIAL COUNCIL  
OF CALIFORNIA

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ADMINISTRATIVE OFFICE  
OF THE COURTS

## **I. Mandate**

Item 0450-101-0932, provision 4 of the Budget Act of 2005 (Stats. 2004, ch. 208) (Act) provides that “[t]he Judicial Council shall report to the Legislature on expenditures made pursuant to the schedule”. In fulfillment of this provision, this report details expenditures from the Trial Court Trust Fund (TCTF), schedule program 45, Court Interpreters Program (CIP).

## **II. Funding**

The Act appropriated \$67.735 million, from the TCTF to pay for expenditures on qualifying line items<sup>1</sup> and costs. Qualifying line items for the CIP are limited to payments for four basic types of expenditures:

- a. Contract court interpreters and their per diem, including travel;
- b. Staff interpreters (those employed by the trial courts), benefits,<sup>2</sup> and their travel;
- c. Court interpreter coordinators (limited by the Act to one personnel year (PY) each in counties of the 1st through 15th classes, 0.5 PY each in counties of the 16th through 31st classes, and 0.25 PY each in county of the 32nd through the 58th classes); and
- d. Four court interpreter supervisor positions: two in Los Angeles County, one in Orange County, and one in San Diego County that were funded by a fiscal year 2003–2004 budget change proposal. These positions were provided pursuant to a budget change proposal for support of Senate Bill 371 and are the only positions funded from the CIP that include baseline funding for standard operating expenses and equipment (OE&E).

The CIP does not currently reimburse trial courts for the cost of supervisors, administrative overhead, or any OE&E, except for the contractual services, travel, and standard complement items noted above in items a), b), and d), respectively. This means that trial courts must absorb all OE&E expenditures and except as noted, all supervisory expenditures associated with converting contract interpreters to employees of the court.

## **III. Methodology**

The CIP funding is pooled in a statewide account and allocated to the trial courts on a reimbursement basis. Trial courts report their expenditures in their Quarterly Financial Statements (QFSs). The trial courts are then reimbursed for only their allowable expenditures, to the extent that funding is available. Attachment 1 provides a summary, by trial court, of the major reimbursable categories. Essentially, reimbursements are

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<sup>1</sup> Qualifying line items are limited to those within personal services, contractual interpreter services and travel. All other line items, such as training, electronic data processing services, equipment, etc., may be reported by the court, but are not considered for reimbursement from this program.

<sup>2</sup> To provide for a phased implementation of Senate Bill 371, the Judicial Council began providing benefits for court interpreter employees in fiscal year 2004–2005. These benefits for staff court interpreters were limited to workers’ compensation, unemployment insurance, and Old-Age, Survivors, and Disability Insurance (OASDI). The Judicial Council began paying for full benefits for staff interpreters in fiscal year 2005–2006.

limited to costs for personal services, contract interpreters, and staff and contract interpreter travel.

In addition to their QFS submissions, all trial courts were surveyed to identify their nonallowable personal services costs and for grants and reimbursements that separately offset some of their otherwise qualifying expenditures. The difference between those amounts and the total gross expenditures on the qualifying line items are the total allowable reimbursements allocated to each court.

Allocation payments are made monthly to the trial courts based on estimated year-end projections, from the most recent four quarters of the QFS. At the end of the year, final adjustments are made to increase or decrease allocations to bring total payments in line with actual allowable expenditures. For fiscal year 2004–2005, sufficient funding existed in the CIP budget to cover all the trial courts' allowable costs.

#### **IV. Expenditures**

The Judicial Council established statewide standards for interpreter pay and authorized increases in the amount paid for full-day and half-day interpreting effective January 1, 1999. Two additional increases were authorized and made effective on July 1, 1999, and July 1, 2000. Certified and registered interpreters are currently paid 32.5 percent more for a full day of interpreting than they were when the Judicial Council first established statewide standards for interpreter pay in January 1999. Certified and registered interpreters are paid \$265 for a full day and \$147 for a half day. Noncertified and nonregistered interpreters are paid \$175 for a full day and \$92 for a half day. However, no increases have been provided since that date, in spite of the fact that federal rates have increased to \$355 per full day.

The next significant change was the enactment of SB 371 in 2002, which required trial courts to establish staff interpreter positions and offer employment to qualified contract interpreters, under prescribed conditions. As a result, trial courts began hiring contract interpreters as staff interpreters. Table 1 illustrates the shift in expenditures by line item associated with this change. For fiscal years 2003–2004 and 2004–2005, benefits for the newly created positions were limited to workers' compensation, unemployment insurance, and OASDI. Full benefits have been secured through the collective bargaining process for fiscal year 2005–2006 and beyond. Benefit costs will increase sharply to provide for this additional expense.

**Table 1: Shift From Contract to Staff Interpreters**

	FY 02–03	FY 03–04	FY 04–05
Gross Staff Salaries	4,118,601	34,729,477	38,956,263
Gross Benefits	114,129	3,087,417	3,831,914
Contract Per Diems	57,873,346	25,095,414	20,568,476
Total	62,106,076	62,912,308	63,356,653
Gross Sal. & Ben.	6.82%	60.11%	67.54%
Contract	93.18%	39.89%	32.46%
Total	100.00%	100.00%	100.00%

In fiscal year 2004–2005 trial courts reported qualifying line item expenditures totaling \$64.933 million of which \$62.697 million was determined to be the net allowable expenses. This was further reduced by \$1.338 million in reimbursements and grants from other funding sources, thereby bringing the total program expenditures to \$61.358 million. Therefore, the total amount of nonallowable costs and costs reimbursed from other sources was \$3.574 million.

## **V. Conclusion**

All funding provided for the program was appropriately expended according to program funding policies and statutory mandates. The \$67.735 million appropriated for court interpreter services in fiscal year 2004–2005, covered the net total of \$61.358 million in allowable program expenditures, resulting in a balance of \$6.377 million. The appropriation balance was carried over for the program to fiscal year 2005–2006 and was augmented with additional designated and undesignated funding to address the projected increase in benefit costs. Most of the projected current year increase results from implementing full benefits, including retirement, health, holiday pay, and vacation and sick leave. These full benefits are now being provided for the first time.

For the current fiscal year, the program received additional baseline funding of \$4.498 million that was based on a state appropriations limit (SAL) formula of 6.64 percent. The cost of increased benefits is expected to be even higher than the carryover savings and SAL increase, so the Judicial Council has allocated an additional \$10.498 million for the program to cover these costs. Actual costs might be slightly below this for the current year as ratification of the labor agreements occurred after July 1, 2005. However, this means that costs for the same level of service provided will increase again for fiscal year 2006–2007, when these costs are annualized. Similarly, salaries in the current year were not increased over the equivalent contract rate. At least some regions may negotiate salary increases in the budget year and the subsequent year, resulting in even greater fiscal pressures on the program. For these reasons, program costs are expected to increase significantly over the next few years, irrespective of changes in service levels.

