

The seal of the Judicial Council of California is faintly visible in the background. It features a central figure holding a scale of justice, surrounded by various symbols of law and order. The text "JUDICIAL COUNCIL OF CALIFORNIA" is written around the perimeter, and the year "1926" is at the bottom.

**Trial Court Trust Fund
Allocations: 2 Percent
State-Level Reserve Process**

Judicial Council Meeting

July 29, 2014

Background

- On June 27, 2012, the Governor signed into law SB 1021, which repealed the provisions in GC section 77209 related to urgent needs funding from the Trial Court Improvement Fund and added GC section 68502.5(c)(2)(B), which requires that the Judicial Council set aside as a reserve an amount equal to 2 percent of the TCTF appropriation in Program 45.10.



Background

- In response to this new statute, the Judicial Council, at its August 31, 2012, meeting, approved the current policy with regard to the process, criteria, and required information for requesting funding from the reserve. (Attachment B of report)



Background

- On June 27, 2014, the Judicial Council approved a 2015–2016 budget change proposal (BCP) for changes to the statutory language regarding the 2 percent TCTF reserve. The Trial Court Budget Advisory Committee was to reevaluate the entire 2 percent TCTF reserve and allocation process.



Trial Court Budget Advisory Committee (TCBAC)

- At the June 3, 2014, TCBAC meeting, a motion was made and approved unanimously to have a small group evaluate the entire 2 percent TCTF reserve process, including whether any statutory changes should be made. The working group brought a recommendation to the TCBAC at its July 7 meeting and deferred to the TCBAC on two options for statutory changes.



Recommendation 1

- The TCBAC recommends, starting in 2014–2015, that the Judicial Council distribute 100 percent of the remaining TCTF 2 percent reserve funds in January, after the council's December business meeting. The committee recommends that the request process be modified such that trial courts would have two opportunities per fiscal year instead of four to request supplemental funding from the 2 percent reserve.



Rationale for Recommendation 1

- This TCBAC recommendation to the Judicial Council was made primarily because the change would expedite the distribution of the unexpended 2 percent monies to courts earlier in the fiscal year and could be implemented in 2014–2015 because no statutory changes would be required.
- Recommendation #1 was a recommendation of the 2 Percent Process Working Group and was approved unanimously by the TCBAC.



Recommendation 2

- The TCBAC recommends, for 2015–2016, that the Judicial Council seek the repeal of Government Code section 68502.5(c)(2)(B), which requires that the Judicial Council set aside as a reserve an amount equal to 2 percent of the Trial Court Trust Fund appropriation in Program 45.10.



Rationale for Recommendation 2

- This TCBAC recommendation to the Judicial Council was made primarily because the statute that establishes the 2 percent reserve became law prior to the development and application of the Workload Allocation Funding Methodology and is inconsistent with the workload based funding model adopted by the Judicial Council.
- Recommendation #2 was a recommendation of the TCBAC and was approved with four “no” votes.



End of Presentation



ADMINISTRATIVE OFFICE
OF THE COURTS