



JUDICIAL COUNCIL OF CALIFORNIA

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MEMORANDUM

Date	Action Requested
February 1, 2017	Approve FY 2017-2018 Judicial Council Budget Change Proposal Concept
To	Date of Report
Member of the Advisory Committee on Financial Accountability and Efficiency for the Judicial Branch	January 26, 2017
From	Contact
John Wordlaw, Chief Administrative Officer Zlatko Theodorovic, Budget Services Director	Madelynn McClain Budget Services 916-263-1752 phone madelynn.mcclain@jud.ca.gov
Subject	
FY 2017-2018 Judicial Council Budget Change Proposal Concept	

Executive Summary

California Rule of Court 10.63 requires the Advisory Committee on Financial Accountability and Efficiency for the Judicial Branch (Committee) to make recommendations annually to the Judicial Council concerning any budget change proposals (BCPs) for funding of the Judicial Council of California. Such funding changes include additional staffing costs as well as increased costs associated with operating expenses and equipment.

At the July 25, 2016 meeting, the Committee approved the six of the seven BCP proposals (see Attachment A) as submitted. BCP #5, Technology Improvement for Facilities, and Trial Court Facility Modifications & Operations Cost Adjustments was modified based on direction/discussion by the Committee. The Judicial Council approved the requests at its August 26, 2016 meeting and the BCPs were submitted to the Department of Finance on September 2, 2016 for inclusion in the Governor's Budget.

On December 13, 2016, the Committee approved an eighth BCP for the Information Technology (IT) proposal for Statewide Electronic Filing Technology. As IT began to finalize the proposal, it was determined that the statewide e-filing model includes establishing statewide standards which requires operational support to assist the superior courts in using this environment. The Judicial Council approved this revised request at the January 19, 2017, meeting. It is anticipated that this request will be submitted to the Department of Finance on February 9, 2017, for inclusion in the 2017-18 Governor's May Revision.

There is an additional BCP proposal before the Committee for consideration which, if approved by the Committee and the Judicial Council, will be submitted to the Department of Finance by February 9, 2017, for inclusion in the 2017-18 Governor's May Revision.

Budget Change Proposal Information

A programmatic summary of the proposal is detailed below by dollar amount, funding source, associated staffing, and general programmatic or workload need.

1. Replace Oracle Financial System with the Financial Information System for California (FI\$Cal) Program

The Judicial Council requests an augmentation of \$6.1 million General Fund (\$2.8 million in 2017-18, \$1.7 million in 2018-19, and \$1.6 million in 2019-20 and ongoing) and 7.0 one-year limited-term positions to support transition to the FI\$Cal Program. The Judicial Council currently uses an Oracle Financial System to perform accounting, budgeting, and procurement activities for the branch and the Commission on Judicial Performance. The Judicial Council is one of several state agencies that have been exempt from the implementation of the FI\$Cal system; however, the Judicial Council does follow the state legal-basis rules of accounting and is required to provide regular reports to the state. Considering the substantial software/hardware upgrades necessary to add new functional models to the current Oracle Financial System, the Judicial Council is in a unique position to capitalize on implementation of the FI\$Cal system since it incorporates many of the elements that can potentially improve internal processes and functionality. As IT staff began developing the business requirements for the Oracle upgrade, the FI\$Cal project staff invited the Judicial Council to participate in testing and informational workshops and indicated a desire for the Judicial Council join the FI\$Cal system.

The new functionality currently being requested by Judicial Council business teams include:

- The Branch Accounting and Procurement Office is looking for efficiencies in paying invoices and travel claims and an automated solution to create and track solicitations/contracts.

- The Budget Services Office is looking for an automated solution to manage the branch budget.
- The Capital and Real Estate Offices would benefit from improved project cost tracking.

The requested funding will support the following functions:

- \$2.8 million and 7.0 positions to complete system deployment in 2017-18 (\$2.0 million for system deployment and \$0.8 million for 7.0 positions)
 - Consistent with the FI\$Cal deployments in other state departments, it is necessary to dedicate existing experienced staff (also known as subject matter experts) to ensure smooth transition and deployment of the new system. In order to maintain resources in the various Judicial Council offices, 7.0 positions are needed to backfill behind the required subject matter experts in Accounting, Procurement, Budget Services, and Information Technology and provide funding to support consulting costs for a Project Manager.
- \$1.7 million in 2018-19 for system support, which reduces to \$1.6 million in 2019-20 and ongoing once the archive of the Oracle System information is completed and the Oracle software license cost is eliminated.

Recommendation

Approve the Replace Oracle Financial System with the Financial Information System for California (FI\$Cal) Program budget change proposal concept to be submitted to the Judicial Council for approval.

Row #	Title	FY 2017-18	Outcome
		Whole Dollars	
1	Judicial Branch Litigation Management Program	\$5,600,000	Approved
2	Language Access Plan Implementation	\$8,091,000	Approved
3	General Fund Augmentation to Fund Improvement and Modernization Fund FTEs	\$7,208,000	Approved
4	Judicial Officer Orientation Program	\$785,000	Approved
5	Technology Improvement for Facilities, and Trial Court Facility Modifications & Operations Cost Adjustments	\$48,666,000	Modified
6	Judicial Branch Program Consolidation	\$0	Approved
7	Court Interpreters Fund Government Code Amendment	\$590,000	Approved
8	Statewide Electronic Filing Implementation and Operational Support	\$551,000	Approved
9	Appellate Court Document Management System	Information Only	
10	Appellate Court Security - California Highway Patrol	Information Only	