



JUDICIAL COUNCIL OF CALIFORNIA

JUDICIAL BRANCH BUDGET COMMITTEE

www.courts.ca.gov/jbbc.htm
JBBC@jud.ca.gov

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JUDICIAL BRANCH BUDGET COMMITTEE

NOTICE AND AGENDA OF OPEN IN-PERSON MEETING WITH CLOSED SESSION

Open to the Public Unless Indicated as Closed (Cal. Rules of Court, rule 10.75(c)(1), (d), and (e)(1))

OPEN PORTION OF THIS MEETING IS BEING RECORDED

Date: July 18, 2019
Time: 1:15 p.m. - 2:45 p.m.
Location: 455 Golden Gate Avenue, San Francisco, CA 94102; Redwood Room
Public Call-In Number: 1-877-820-7831; passcode 6677064 (Listen Only)

Meeting materials for open portions of the meeting will be posted on the advisory body web page on the California Courts website at least three business days before the meeting.

Members of the public seeking to make an audio recording of the open meeting portion of the meeting must submit a written request at least two business days before the meeting. Requests can be e-mailed to JBBC@jud.ca.gov.

Agenda items are numbered for identification purposes only and will not necessarily be considered in the indicated order.

I. OPEN MEETING (CAL. RULES OF COURT, RULE 10.75(C)(1))

Call to Order and Roll Call

Approval of Minutes

Approve minutes of the May 14, 2019, Judicial Branch Budget Committee meeting.

II. PUBLIC COMMENT (CAL. RULES OF COURT, RULE 10.75(K)(1)-(2))

In-Person Public Comment

Members of the public requesting to speak during the public comment portion of the meeting must place the speaker's name, the name of the organization that the speaker represents if any, and the agenda item that the public comment will address, on the public comment sign-up sheet. The sign-up sheet will be available at the meeting location at least 30 minutes prior to the meeting start time. The Chair will establish speaking limits at the beginning of the public comment session. While the advisory body welcomes and encourages public comment, time may not permit all persons requesting to speak to be heard at this meeting.

Written Comment

In accordance with California Rules of Court, rule 10.75(k)(1), written comments pertaining to any agenda item of a regularly noticed open meeting can be submitted up to one complete business day before the meeting. For this specific meeting, comments should be e-mailed to JBBC@jud.ca.gov or mailed or delivered to 455 Golden Gate Avenue, San Francisco, CA 94102, attention: Ms. Lucy Fogarty. Only written comments received by 1:15 p.m. on July 17, 2019 will be provided to advisory body members prior to the start of the meeting.

III. DISCUSSION AND POSSIBLE ACTION ITEMS (ITEMS 1)

Item 1

Telephonic Appearance Fees in Civil Cases (Action Required)

Review of memorandum to the Policy Coordination and Liaison Committee regarding a proposal for Judicial Council-Sponsored Legislation (Telephonic Appearances): Court Fees Collected from Telephone Appearance Revenue.

Presenter(s)/Facilitator(s): Ms. Christy Simons, Attorney, Judicial Council Legal Services

IV. INFORMATION ONLY ITEMS (NO ACTION REQUIRED)

Info 1

2019-20 Budget Update

Update on the status of the 2019-20 Judicial Branch budget.

Presenter(s)/Facilitator(s): Mr. Zlatko Theodorovic, Director, Budget Services

V. ADJOURNMENT

Adjourn to Closed Session

VI. CLOSED SESSION (CAL. RULES OF COURT, RULE 10.75(D))

Call to Order and Roll Call

Approval of Minutes

Approve minutes of the May 29, 2019, Judicial Branch Budget Committee meeting.

Item 1

Innovations Grant Program (Cal. Rules of Court, Rule 10.75(d)(9))

Evaluation of individual grant applications.

Review of requests from grantees regarding Innovations Grant Programs

Presenter(s)/Facilitator(s): Marcela Eggleton, Supervising Analyst, Special Projects, Leadership Support Services

Item 2

Court Innovations Grant Program (Cal. Rules of Court, Rule 10.75(d)(9))

Report on individual grant applications.

Court Innovations Grant Program Quarterly Report.

Presenter(s)/Facilitator(s): Marcela Eggleton, Supervising Analyst, Special Projects,
Leadership Support Services

Adjourn Closed Session



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COMMITTEE

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JUDICIAL BRANCH BUDGET COMMITTEE

MINUTES OF OPEN MEETING

May 14, 2019

9:00 a.m. to 3:00 p.m.

455 Golden Gate Avenue, San Francisco, CA 94102, Catalina Room

Advisory Body Members Present: Hon. David M. Rubin, Chair; Hon. Kyle S. Brodie, Vice-Chair; Hon. Brad R. Hill; Hon. Harold W. Hopp; Hon. Ann Moorman; Ms. Andrea K. Wallin-Rohmann

Advisory Body Members Absent: Hon. Marla O. Anderson; Hon. C. Todd Bottke; Mr. Michael M. Roddy

Others Present: Ms. Lucy Fogarty; Mr. Zlatko Theodorovic; Mr. John Wordlaw; Hon. Jonathan B. Conklin; Ms. Brandy Sanborn; Ms. Leah Rose-Goodwin; Ms. Angela Guzman; Ms. Shima Mirzaei; Mr. Rob Oyung, Ms. Heather Pettit; Mr. Mike Courtney; Mr. Grant Parks; Ms. Anna Maves; Mr. Michael Hersek; Mr. Lou Stanford; Ms. Jan Gross; Ms. Donna Williams; Mr. Jonathan Soglin

OPEN MEETING

Call to Order and Roll Call

The chair called the meeting to order at 9:00 a.m. and took roll call.

Approval of Minutes

The advisory body reviewed and approved the minutes of the March 18, 2019, Judicial Branch Budget Committee meeting.

DISCUSSION AND ACTION ITEMS (ITEMS X-X)

Item 1

2020-21 Budget Change Proposal Concepts

Action:

The committee unanimously approved the following budget change proposal concepts be developed into budget change proposals (BCPs) for consideration by the Judicial Council in July:

- A. *The following concepts shall be combined:*
 1. *20-03 Trial Court Civil Assessment Maintenance of Effort.*
20-05 Trial Court Funding Stabilization.
 2. *20-07 Trial and Appellate Court Deferred Maintenance Funding.*

20-08 Trial Court Facility Operations and Maintenance Funding.

20-19 Appellate Courts Facility Maintenance Program.

20-28 Trial Court Lease Funding.

3. *20-10 Electronic (Intelligent) Judicial Council Forms Solution.*

20-11 Productizing California Court Innovation Grants.

20-12 Next Generation Hosting Consulting Services for Data Center.

B. *The following concepts shall remain standalone:*

4. *20-02 Trial Court Civil Assessment Backfill.*

5. *20-13 Digitizing Documents Phases 2 and 3.*

6. *20-17 Court Technology Manager Positions.*

7. *20-18 Appellate Courts - Court Appointed Counsel Projects.*

8. *20-21 Electronic Resources and Collection Rightsizing Adjustment for Appellate Court Libraries.*

9. *20-22 Appellate Court Security.*

10. *20-23 Judicial Branch Data Governance.*

11. *20-24 Statutory Statewide Trial Court Audit Program – State Controller’s Office.*

12. *20-25 Language Access Expansion in the California Courts.*

13. *20-27 HCRC Case Team Staffing and Establishment of Los Angeles Office.*

14. *20-28 Stanislaus-New Mexico Buildout Two Shelled Courtrooms.*

C. *The following concepts shall be not move forward as they are already in the proposed 2019-20 budget:*

15. *20-01 Trial Court Reserved Cap.*

16. *20-04 Funding for 10 of the 50 Judgeships Authorized by AB 159.*

17. *20-20 Appellate Court Judicial Workload.*

Item 2

Request for Support for Potential California Department of Child Support Services Budget Change Proposal for Increased Funding for AB 1058 Program

Action:

The committee unanimously approved making a recommendation to the Judicial Council to support the California Department of Child Support Services’ development of a 2020-21 budget change proposal to request additional funding to restore program funding for the AB 1058 Child Support Commissioner and Family Law Facilitator Program to “pre-recession” funding.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:25 p.m.

Approved by the advisory body on enter date.



JUDICIAL COUNCIL OF CALIFORNIA

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MEMORANDUM

Date July 12, 2019	Action Requested Recommend for Judicial Council Sponsorship
To Members of the Policy Coordination and Liaison Committee	Deadline N/A
From Judicial Branch Budget Committee David M. Rubin, Chair	Contact Christy Simons Legal Services 415-865-7694 phone christy.simons@jud.ca.gov
Subject Judicial Council-Sponsored Legislation: Court Fees from Telephone Appearance Revenue	

Executive Summary

The Judicial Branch Budget Committee recommends that the Judicial Council sponsor legislation to (1) amend the statute that governs telephone appearance service fees to update and improve the formula to be more equitable and reflect current revenue allocation standards, and (2) amend the statutes that prescribe the method of transmitting those fees to reflect current fiscal practices in the courts. The proposed amendments would have no impact on the fee charged to individuals for telephone appearance services.

Recommendation

The Judicial Branch Budget Committee recommends that the Judicial Council sponsor legislation to:

1. Amend Government Code section 68085.1, which sets forth procedures for transmitting and distributing specified fees and fines collected by the courts, to include the fee share amounts collected by courts that directly provide telephone appearance services;

2. Amend Government Code section 72011(a) to increase from \$20 to \$23 the fee share that each vendor or court that provides telephone appearance services must transmit to the State Treasury for deposit in the Trial Court Trust Fund;
3. Amend Government Code section 72011(b) to require that courts transmit the fee share amount in a method and time frame that is consistent with their regular judicial branch fiscal practices as provided in Government Code section 68085.1; and
4. Repeal Government Code section 72011(c) through (e), which requires vendors to transmit each year an amount equal to the total amount of revenue received by courts from vendors under revenue-sharing arrangements in fiscal year 2009–10, and authorizes the Judicial Council to allocate that amount among the courts that previously had revenue-sharing arrangements with vendors under separate contracts.

The text of the proposed amendments is attached at pages 9–10.

Relevant Previous Council Action

As required by statute, since 2011 the Judicial Council has entered into a master agreement or master agreements for the provision of telephone appearance services. (Gov. Code, § 72010(a).) The Judicial Council and CourtCall LLC recently entered into the current master agreement for fiscal years 2018–19 to 2021–22.

The statutory framework provides that “the Judicial Council shall establish statewide, uniform fees to be paid by a party for appearing by telephone” (Code Civ. Proc., § 367.6(a).) Rule 3.670 of the California Rules of Court is the rule concerning telephone appearances in the trial courts. The Judicial Council has amended rule 3.670 several times over the years, most recently in 2018 to increase the telephone appearance fee from \$86 to \$94 per call as of January 1, 2019.

Analysis/Rationale

Background

Senate Bill 857 (Stats. 2010, ch. 720) created the statutory framework for statewide telephone appearance fees. The principal telephone appearance fee statutes are Code of Civil Procedure section 367.6 and Government Code sections 72010 and 72011. In addition to requiring master agreements and statewide uniform fees, these statutes also provide that the Trial Court Trust Fund (TCTF) will receive a portion of each telephone appearance fee. “For each fee received for providing telephone appearance services, each vendor or court that provides for appearances by telephone shall transmit twenty dollars (\$20) to the State Treasury for deposit in the Trial Court Trust Fund established pursuant to Section 68085.” (Gov. Code, § 72011(a).) The \$20 fee share amount has not increased since the statute was enacted.

Fiscal year 2009–10 revenue-sharing arrangement

In addition to the \$20 per call that providers (vendors and courts) must transmit to the TCTF, the fee statutes require vendors to transmit “an amount equal to the total amount of revenues

received by all courts from all vendors providing telephonic appearances for the 2009–10 fiscal year.” (Gov. Code, § 72011(c).) This amount, determined to be \$943,840, was received in fiscal year (FY) 2009–10 by 38 courts from the vendors under revenue-sharing arrangements (the FY 2009–10 amount). The FY 2009–10 amount is included in master agreements and is due from the vendors each year. Because CourtCall has been virtually the only vendor since 2011, it has been responsible for transmitting the entire FY 2009–10 amount in quarterly payments.

The 2010 legislation directed the Judicial Council to allocate the FY 2009–10 amounts received “for the purpose of preventing significant disruption in services in courts that previously received revenues from vendors for providing telephone appearance services.” The bill further provided: “The Judicial Council shall determine the method and amount of the allocation to each eligible court.” (Gov. Code, § 72011(e).) Based on this statutory provision, the Judicial Council in 2011 approved a distribution every quarter to each of the courts that previously had a revenue-sharing agreement with a vendor in an amount equal to one-fourth of the amount that the court had received in FY 2009–10 from their revenue-sharing arrangements with the vendor. A total of 38 courts receive revenue through this allocation, with amounts varying from as little as \$400 a year to as much as \$239,760 a year. The allocations have not changed since they were approved by the Judicial Council in 2011.

Telephone appearance services provided directly by courts

Finally, although the legislation on telephone appearance services assumed that these services would be provided primarily by a vendor or vendors, SB 857 also authorized courts to directly provide these services. “If the court provides the services directly, the court shall collect the fees for telephone appearances adopted by the Judicial Council” (Gov. Code, § 72010(c)(3).) Thus, if a court directly provides telephone appearance services, it currently collects the fee of \$94 per call. Like the vendor, it must transmit \$20 per call to the TCTF (Gov. Code, § 72011(a)) and retain the balance. Unlike the vendor, however, courts directly providing telephone appearance services are not required to contribute to the FY 2009–10 amount, which by statute is only apportioned among, and transmitted by, vendors. (Gov. Code, § 72011(c), (d).) Three courts have recently elected to provide telephone appearance services directly, and others may soon follow.

The proposal

Repeal Government Code section 72011(c) through (e)

As noted above, the fee structure that requires vendors to transmit the FY 2009–10 amount (\$943,840) each year for allocation among 38 eligible trial courts was enacted in 2010. Subdivision (c) of section 72011 provides that vendors shall transmit the FY 2009–10 amount; subdivision (d) apportions the amount among the vendors with which the Judicial Council has a master agreement; and subdivision (e) provides that the Judicial Council shall allocate the amount “for the purpose of preventing significant disruption in service in courts that previously received revenues from vendors for providing telephone appearance service,” and “shall determine

the method and amount of the allocation to each eligible court.” (Gov. Code, § 72011(c)–(e).) The language “for the purpose of preventing significant disruption” suggests that this allocation to eligible courts was intended to be a temporary measure; however, the FY 2009–10 amount has become an ongoing part of the revenues transmitted to the TCTF under SB 857.

The allocation method is not based on court size, workload, or other basis consistent with current judicial branch fiscal practices. There are large courts (such as Los Angeles and San Diego) that receive nothing and smaller courts (such as Stanislaus and Imperial) that receive significant amounts. The San Bernardino court, an outlier, receives the largest allocation (\$239,700 annually). In addition, some of the courts that are now providing direct telephone appearance services (El Dorado and Placer) are still receiving revenue-sharing money of over \$24,000 each annually from the vendor, which CourtCall regards as unfair and anticompetitive.

The committee recommends eliminating the requirement that vendors pay the FY 2009–10 amount and the accompanying apportionment and allocation provisions. To offset the loss of the fixed FY 2009–10 amount, the committee recommends increasing the share of the telephone appearance fee per call that both vendors and provider courts transmit to the TCTF. This revenue would, in turn, be distributed among the trial courts under current allocation standards, rather than the outdated SB 857 formula. The additional legislation required to implement this approach is discussed in the next section.

Amend Government Code section 72011(a)

Legislation that simply eliminated the responsibility of vendors to contribute \$943,840 annually to the 38 eligible courts would have an adverse fiscal impact on the courts. To substantially offset the impact of this loss of revenue, the committee proposes combining the repeal of subdivisions (c) through (e) with an amendment to subdivision (a) to increase the fee share for providing telephone appearance services.

The committee proposes increasing the share by \$3 per call, from \$20 to \$23. This would result in the distribution to the TCTF of approximately \$864,000, assuming 288,076 CourtCall appearances per year,¹ thereby largely offsetting the loss of the \$943,840 annually.² If the number of telephone appearances increases in the future, the amount distributed to the TCTF would increase.

Any legislation that would simply eliminate the requirements of subdivisions (c) through (e) would result in an immediate gain of \$943,840 annually for CourtCall, with no offset for the courts for the loss of revenue. However, if legislation to repeal subdivisions (c) through (e) is

¹ This number is derived from the lowest quarterly number of appearances of the eight calendar quarters from June 2016 through March 2018.

² To achieve a revenue objective of fully offsetting the impact of repealing subdivisions (c) through (e), Budget Services estimates that an increased share of \$3.30 per call would be required. This would result in a distribution to the TCTF of approximately \$951,000. However, due to the accounting problems a fractional dollar amount would create, the committee proposes increasing the share by \$3 per call, not \$3.30.

combined with a \$3 increase in the \$20 share set forth in subdivision (a), the courts would not suffer an immediate \$943,840 revenue loss and the vendor would initially receive approximately the same expected net income before and after the share increase. Thus, the immediate effect of the combined legislation would be to eliminate most of the adverse impacts of repealing subdivisions (c) through (e). This legislation would also convert CourtCall's fixed \$943,840 annual obligation into an obligation to pay a variable amount as an increased share, dependent on the number of telephone appearances.

A statutory increase in the \$20 share amount would also affect courts that provide telephone appearance services directly. Before courts began providing these services directly, only the vendor provided them, collected the fee, and transmitted to the TCTF the \$20 share per call. Under these circumstances, a statutory increase in the \$20 share amount could simply be used to offset the elimination of the FY 2009–10 allocation. However, some courts are now beginning to provide the services and collect the telephone appearance fee themselves. These courts must also transmit \$20 of each telephone appearance fee they receive to the TCTF. (Gov. Code, § 72011(a).) If the fee share is increased, the direct service courts would have to transmit to the TCTF a greater share of their telephone appearance revenues pursuant to that subdivision. The committee acknowledges this impact on direct provider courts, but also notes that the telephone appearance fee was recently raised from \$86 to \$94, an \$8 per call increase.

Amend Government Code section 72011(b)

Trial courts that provide telephone appearance services directly and transmit the share amount to the TCTF are currently required to use the statutory method for transmission provided in subdivision (b). However, this method does not work procedurally for the courts, which use a different method and time frame for the transmission of revenues. To be consistent with the courts' practices, subdivision (b) should be amended to direct courts to follow the procedures that are established in Government Code section 68085.1.³

Amend Government Code section 68085.1

This statute sets forth the procedures for superior courts to follow in depositing certain fees and fines they collect into bank accounts established for the purpose by the Judicial Council. Section 68085.1(a) lists the statutes to which the section's procedures apply. Section 68085.1(a) should be amended to include section 72011(a) as one of the statutes to which its procedures apply.

Policy implications

The judicial branch has engaged in a years-long effort to more equitably allocate resources. It has consistently worked to reduce reliance on historical allocations, focusing instead on actual need, as reflected in the workload of each court. The committee believes it is inconsistent with that work to continue allocating any part of the telephonic appearance fees based on data that is

³ The invitation to comment included an additional amendment to section 72011(b) regarding transmission of the fees by the Judicial Council. That language has been omitted as unnecessary.

nearly a decade old. The revenue should instead be distributed based on the same guiding principles that govern other allocations from the TCTF.

The committee believes it is important to respect the Legislature's decision to maintain existing levels of court revenue. However, the committee also believes that it is not equitable for a commercial vendor to bear the entire burden of doing so. Unless the so-called legacy payments are restructured, courts directly providing telephonic appearance services would have an advantage, because while both the courts and private vendors would be required to contribute the \$20 fee share per call, only private vendors would be required to transmit the legacy payments. Although relatively few courts are currently providing such services directly, the committee believes that number may grow in the years to come and sees no basis to treat private and public service providers differently. Requiring all service providers to contribute the same amount to the TCTF is fair. It levels the playing field and maintains a competitive marketplace, which are goals the committee believes are worth pursuing.

Comments

The proposal to amend sections 68085.1 and 72011 was circulated for public comment from April 11 to June 7, 2019, as part of the regular spring comment cycle. The committee received two comments. The Superior Court of San Diego County agreed with the proposal. CourtCall disagreed and suggested modifications. A chart with the full text of the comments received and the committee's responses is attached at pages 11–15.

CourtCall agrees with repealing the statutory provisions regarding payment and allocation of the \$943,840 FY 2009–10 amount (referred to by CourtCall as "legacy payments"), but objects to increasing the fee share to compensate for the loss of revenue. According to CourtCall, the legacy payments set forth in section 72011(c) through (e) were intended to be temporary and should not be replaced with a different financial burden on CourtCall. CourtCall contends that courts have had time to adjust to the loss of these revenue-sharing payments, and court budgets have improved in recent years.

As an alternative to immediately ceasing the legacy payments, CourtCall suggests a transition period of reduced payments of \$629,226.66 in 2020, \$314,613.34 in 2021, and \$0 in 2022, also with no increase in the \$20 fee share.

The committee is familiar with CourtCall's goal of eliminating the vendor or vendors' obligation to make payments based on historic revenue-sharing arrangements. In drafting this proposal, the committee considered prior proposals from CourtCall that would simply repeal subdivisions (c) through (e) or, in the alternative, for some period of time, replace the current fixed FY 2009–10 amount with an amount based on the number of appearances conducted by the vendor in each participating court. Under this plan, the Judicial Council would continue to allocate the revenues received from the vendor among eligible courts; however, any court that directly provides telephone appearance services would no longer be eligible to receive any allocation. This

alternative proposal would also include a date on which these payments would end and subdivisions (c) through (e) would sunset.

The committee agrees with modernizing the fee structure. However, the committee rejects CourtCall's argument that the statutory requirement to transmit the FY 2009–10 amount annually should be eliminated without offsetting the loss of revenue. CourtCall has made these payments under the statutory scheme that has been in place since 2011. Prior to that time, CourtCall made the payments to the individual courts with which it had contracts for the provision of telephone appearance services. These payments have been part of the revenue received by the courts for years. The legislation recommended by the committee responds to CourtCall's goal of eliminating outdated legacy payments. The new fee structure is also more equitable, in that the only revenue sharing is based on call volume and is paid by vendors and direct provider courts alike.

Whether or not the payments of the FY 2009–10 amount were intended to be temporary, over time they have become an ongoing part of the TCTF's revenues. It may be worth noting that the language "for the purpose of preventing significant disruption" appears in subdivision (e) of section 72011, which addresses *allocation* of the payments by the Judicial Council, and not the payments themselves. The committee notes also that, since 2011, the \$20 fee share has not increased, but the fee paid by individuals to appear by telephone was increased by the Judicial Council from \$78 to \$86 in 2013, and from \$86 to \$94 in 2019. Eliminating the requirement to transmit the FY 2009–10 amount without offsetting the loss of revenue would result in a significant financial gain for CourtCall and a significant loss for the courts. The committee's proposal avoids a financial loss for the courts, eliminates the outdated legacy payments, and provides a fairer revenue-sharing framework based on call volume.

Notably, none of the courts that stand to lose their legacy payment allocations has objected to the proposed elimination of those payments. Similarly, none of the courts that currently provide telephone appearance services directly, and none that might do so in the future, has objected to the proposed increased fee share.

Alternatives considered

As discussed above, the committee considered suggestions it received from CourtCall both prior to drafting this proposal and in comments submitted on the proposal. For the reasons stated, the committee rejected these alternatives.

The committee considered raising the \$20 share amount by \$3.30 to \$23.30, the amount calculated by Judicial Council Budget Services that would be adequate to offset the FY 2009–10 amount. However, a fractional dollar amount would be difficult for accounting purposes and needlessly awkward. The committee preferred to avoid these issues even if the \$23 share amount does not fully offset the loss of the FY 2009–10 amount.

The committee also considered raising the \$20 share amount by \$4. The committee rejected this option because it would generate increased revenue for the TCTF rather than offsetting what stands to be lost if the FY 2009–10 amount is eliminated. It would also require trial courts that directly provide telephone appearance services to transmit to the TCTF a greater share of each fee.

Finally, the committee considered proposing no change to the statutory framework. This option was rejected because the existing law is outdated and does not reflect current trial court funding standards.

Fiscal and Operational Impacts

The 38 trial courts that have been receiving an allocation of telephone appearance revenue based on the FY 2009–10 revenue-sharing arrangement would no longer receive these payments. Instead, the increased share of the telephone appearance fee transmitted to the TCTF would be distributed among the all the trial courts under current allocation standards.

Courts that directly provide telephone appearance services would pay a greater share of their telephone appearance fee to the TCTF—\$23 instead of \$20. However, the recent increase in the telephone appearance fee from \$86 to \$94 per call would mitigate this impact. Direct provider courts would still see a net revenue increase of \$5 per call over revenue received prior to January 1, 2019.

The legislation would also require trial courts that directly provide telephone appearance services to conform their procedures for transmitting the fee share to the State Treasury to be consistent with regular judicial branch fiscal practices as provided in Government Code section 68085.1.

In its comments on the proposal, the Superior Court of San Diego indicated that implementation requirements for courts currently using CourtCall would be minimal.

Attachments

1. Gov. Code, §§ 68085.1 and 72011, at pages 9–10
2. Comment chart, at pages 11–15

Government Code sections 68085.1 and 72011 would be amended, effective January 1, 2021, to read:

1 **§ 68085.1.**

2
3 (a) This section applies to all fees and fines that are collected on or after January 1, 2006,
4 under all of the following:

5
6 (1)–(3) * * *

7
8 (4) Subdivision (d) of Section 6103.5, Sections 68086 and 68086.1, subdivision (d) of
9 Section 68511.3, Sections 68926.1 and 69953.5, ~~and Chapter 5.8 (commencing~~
10 ~~with Section 70600), and subdivision (a) of Section 72011.~~

11
12 (5)–(10) * * *

13
14 (b)–(k) * * *

15
16 **§ 72011.**

17
18 (a) For each fee received for providing telephone appearance services, each vendor or court
19 that provides for appearances by telephone shall transmit ~~twenty dollars (\$20)~~ twenty-
20 three dollars (\$23) to the State Treasury for deposit in the Trial Court Trust Fund
21 established pursuant to Section 68085. If the vendor or court receives a portion of the fee
22 as authorized under paragraph (2) of subdivision (b) of Section 367.6 of the Code of Civil
23 Procedure, the vendor or court shall transmit only the proportionate share of the amount
24 required under this section. This section shall apply regardless of whether the Judicial
25 Council has established the statewide uniform fee pursuant to Section 367.6 of the Code
26 of Civil Procedure, or entered into one or more master agreements pursuant to Section
27 72010 of this code. This section shall not apply when a vendor or court does not receive a
28 fee.

29
30 (b) ~~The amounts described in subdivision (a) shall be transmitted~~ A vendor shall transmit the
31 amounts described in subdivision (a) within 15 days after the end of each calendar quarter
32 for fees collected in that quarter. A court shall deposit the amounts described in
33 subdivision (a) as provided in subdivision (b) of Section 68085.1, and the Judicial
34 Council will transmit the fees collected as provided in subdivision (b) of Section 68085.1.

35
36 (c) ~~Vendors shall also transmit an amount equal to the total amount of revenue received by~~
37 ~~all courts from all vendors for providing telephonic appearances for the 2009–10 fiscal~~
38 ~~year.~~

39
40 (d) ~~The amount set forth in subdivision (c) shall be apportioned by the Judicial Council~~
41 ~~among the vendors with which the Judicial Council has a master agreement pursuant to~~
42 ~~Section 72010. Within 15 days of receiving notice from the Judicial Council of its~~

1 ~~apportioned amount, each vendor shall transmit that amount to the State Treasury for~~
2 ~~deposit in the Trial Court Trust Fund.~~

3

4 (e) ~~The Judicial Council shall allocate the amount collected pursuant to subdivisions (c) and~~
5 ~~(d) for the purpose of preventing significant disruption in services in courts that~~
6 ~~previously received revenues from vendors for providing telephone appearance services.~~
7 ~~The Judicial Council shall determine the method and amount of the allocation to each~~
8 ~~eligible court.~~

9

LEG19-05**Judicial Council–Sponsored Legislation (Telephonic Appearances): Court Fees Collected from Telephone Appearance Revenue (Amend Gov. Code, §§ 68085.1 and 72011)**

All comments are verbatim unless indicated by an asterisk (*).

	Commenter	Position	Comment	Committee Response
1.	CourtCall by Robert V. Alvarado, Jr. Chief Executive Officer	N	<p>CourtCall does not agree with the terms of the Proposal and respectfully submits the within comments and suggested modifications, ever-mindful and appreciative of the relationship of service and trust it has developed with California courts, attorneys and members of the public during over two decades of service. The millions of hours of time saved and environmental benefits are important complements to the tens of millions of dollars in revenues generated for the benefit of California courts since 1996.</p> <p>With these comments, CourtCall wishes to highlight but a few items in a multi-year dialogue for purposes of demonstrating that the legacy payments under Section 72011 should be eliminated or, at a minimum, finally scheduled to sunset without any increase in the 72011 (a) fee share. For several years CourtCall has consistently and courteously sought the cessation of what were to be temporary legacy payments. In is a misnomer to call the termination of temporary payments a “windfall” to CourtCall. CourtCall has paid millions of dollars of additional legacy payments well past the time required to “prevent significant disruption in services in courts</p>	<p>The committee notes the commenter’s disagreement with the proposal. The committee appreciates CourtCall’s comments and the working relationship and dialogue between the Judicial Council and CourtCall over the years.</p> <p>The committee disagrees with eliminating the vendor’s obligation to make payments based on historic revenue sharing arrangements with no offsetting increase in the fee share.</p> <p>The committee notes CourtCall’s objection to characterizing termination of the FY 2009-10 payments (“legacy payments”) with no offset as a “windfall.”</p>

Positions: A = Agree; AM = Agree if modified; N = Do not agree; NI = Not indicated

LEG19-05

Judicial Council–Sponsored Legislation (Telephonic Appearances): Court Fees Collected from Telephone Appearance Revenue (Amend Gov. Code, §§ 68085.1 and 72011)

All comments are verbatim unless indicated by an asterisk (*).

	Commenter	Position	Comment	Committee Response
			<p>that previously received revenues from vendors...” The Invitation To Comment specifically notes at page 3:</p> <p>The language “for the purpose of preventing significant disruption” suggests that this allocation was to be a temporary measure; however, after more than seven years, the allocation has become an ongoing part of the revenues transmitted to the courts under SB 857. [emphasis added]</p> <p>The fact that CourtCall has dutifully paid millions of dollars while consistently requesting the end of the temporary payments does not mean that payments that were to be temporary simply become permanent. Any suggestion that this is a windfall to CourtCall is entirely negated by the language cited above. The proposed change simply operates to perpetuate what were vendor provided temporary “bridge” or “transition” payments to assist courts as the statewide, master program was being put in place; payments that should have ended years ago. The courts have had almost a decade to adapt, a more than sufficient time, by any reasonable standard. And, while court budgets are far from where</p>	<p>The committee is not proposing that payments of the FY 2009-2010 amount simply become permanent. The proposed legislation would restructure the framework for revenues being transmitted to the TCTF. Vendors would no longer be required to remit payments based on 2009-2010 revenue-sharing arrangements. Instead, the fee share amount, payable by vendors <i>and courts</i> that provide telephone appearance services, would be increased from \$20 to \$23.</p> <p>In the committee’s view, the courts have adapted. Trial court funding is now based on size, workload, and other metrics, rather than on historic funding levels. There is no longer</p>

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LEG19-05

Judicial Council–Sponsored Legislation (Telephonic Appearances): Court Fees Collected from Telephone Appearance Revenue (Amend Gov. Code, §§ 68085.1 and 72011)

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			<p>they need to be, they have substantially improved in the last decade.</p> <p>CourtCall currently earns \$74.00 per call on a \$94.00 fee and pays the legacy amount of \$943,840.</p> <p>After the proposed fee share increase, and as just one example using CourtCall’s 2018 California call volume, CourtCall will instead earn \$71.00 per call (\$94 - \$23) and CourtCall will pay \$958,341 (the 2018 CourtCall California call volume multiplied by \$3.00). Under the proposal, CourtCall will continue to bear the burden of the legacy payments essentially in perpetuity, with such payments called by a different name.</p> <p>As proposed, the fee share increase from \$20.00 to \$23.00 will cause CourtCall to</p>	<p>a need to allocate revenue to individual courts to take the place of historic revenue sharing arrangements. However, as the commenter notes, court budgets are far from where they should be, and it is appropriate to recommend statutory provisions that would help offset the loss of revenue to the courts resulting from eliminating the payment of the FY 2009-2010 amount. The committee also notes that, since the enactment of SB 857 in 2010, the fee share amount has remained at \$20 while the fee an individual must pay to appear by telephone has been increased twice—from \$78 to \$86 in 2013, and from \$86 to \$94 in 2019.</p> <p>The financial impact to CourtCall of increasing the fee share will vary based on call volume. Based on the number of calls in this scenario, the increased fee share results in an amount that is higher than the current FY 2009-10 amount.</p>

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	Commenter	Position	Comment	Committee Response
			<p>pay an additional \$3.00 on all calls it completes in California albeit on a variable volume basis, instead of on the fixed legacy basis. The net effect of the change is to simply re-cast the legacy payments.</p> <p>If the elimination of the proposed increase in the fee share from \$20 to \$23 and immediate elimination of the legacy payments are not viewed as a combined viable alternative, CourtCall urges that a glidepath leading to the expiration of such legacy payments be put in place in connection with what were the temporary legacy payments. More particularly, CourtCall suggests that the temporary legacy payments be reset to \$629,226.66 for 2020, to \$314,613.34 for 2021 and \$0 in 2022 with no other changes in the fee share such that it would remain at \$20.00. In sum, CourtCall suggests that there be no increase in the fee share and that the legacy payments be eliminated or allowed to sunset as proposed.</p>	<p>The committee rejects this approach because it would result in substantial loss of revenue to the courts.</p>
2.	Superior Court of San Diego County by Mike Roddy Executive Officer	A	<p>1. Does the proposal appropriately address the stated purpose?</p> <p>Yes.</p>	<p>The committee notes the commenter’s agreement with the proposal and appreciates the responses to questions presented in the invitation to comment.</p>

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			<p>2. What would the implementation requirements be for courts—for example, training staff (please identify position and expected hours of training), revising processes and procedures (please describe), changing docket codes in case management systems, or modifying case management systems?</p> <p>Minimal to none for courts currently using CourtCall.</p> <p>3. Would one year from Judicial Council approval of this proposal until its effective date provide sufficient time for implementation?</p> <p>Yes.</p> <p>No additional comments.</p>	

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