



JUDICIAL COUNCIL  
OF CALIFORNIA

TRIAL COURT BUDGET  
ADVISORY COMMITTEE

**TRIAL COURT BUDGET ADVISORY COMMITTEE**

**Materials for September 26, 2014 Meeting\***

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\*Updated 9/24/2014 at 5:00 pm.



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TRIAL COURT BUDGET ADVISORY COMMITTEE

MINUTES OF OPEN MEETING

July 7, 2014

11:00 a.m. to 2:30 p.m.

Administrative Office of the Courts, 2860 Gateway Oaks Drive, Suite 400, Sacramento

**Advisory Body Members Present:** Judges: Laurie Earl (Chair), Loretta Begen, Thomas Borris, C. Don Clay, Mark Cope, Thomas DeSantos, Lloyd Hicks, Laura Masunaga, Marsha Slough, Brian Walsh, David Wesley; Executive Officers: Jake Chatters, Richard Feldstein, Kimberly Flener, Deborah Norrie, Michael Planet, Michael Roddy, Brian Taylor, Mary Beth Todd, Tania Ugrin-Capobianco, Christina Volkers, and David Yamasaki; Judicial Council staff advisory members: Jody Patel, Curt Soderlund, and Zlatko Theodorovic (Co-Chair).

**Advisory Body Members Absent:** Judges: Rene Chouteau, Barry Goode (Judge Slough had his proxy), Elizabeth Johnson, Robert Trentacosta; Executive Officers: Sherri Carter (Judge Wesley had her proxy), John Fitton, Rebecca Fleming, Shawn Landry; Judicial Council staff advisory members: Curtis Child.

**Others Present:** Hon. Jonathan Conklin, Sharon Morton, Patty Wallace-Rixman, Kim Kampling, Hon. Carolyn Kuhl, William Mitchell, Jeff Gately, Rosa Junquero, Hon. Lesley Holland, Ronna Uliana, Jared Orr, Brenda Dabney, Samuel Hamrick, Hon. Steven Jahr, Cory Jaspersen, Steven Chang, Patrick Ballard, Bob Fleshman, Colin Simpson, Valerie Vindici, Vicki Muzny, Olivia Lawrence, Elaine Siega, and John Moynihan.

OPEN MEETING

**Call to Order and Roll Call**

The co-chair called the meeting to order at 11:04 a.m., and took roll call.

**Approval of Minutes**

The advisory body reviewed and approved the minutes of the June 3, 2014, Trial Court Budget Advisory Committee (TCBAC) meeting.

DISCUSSION AND ACTION ITEMS (ITEMS 1-10)

**Item 1**

**Judicial Branch Budget for 2014-2015**

**Action:** Discussion item only. No action taken.

**Item 2**

**2014–2015 Workload-Based Allocation and Funding Methodology (WAFM): Funding Need and Allocation Adjustments**

**Action:** *The TCBCAC unanimously approved a motion supporting the WAFM Subcommittee recommendation that at its July 29, 2014 business meeting the Judicial Council adopt the 2014–2015 WAFM and the WAFM allocation adjustments related to (a) reallocation of 15 percent of historical base allocation; (b) allocation of \$60 million and \$86.3 million in new funding for general court operations provided in 2013–2014 and 2014–2015, respectively; (c) reallocation of \$60 million and \$86.3 million in historical base allocation; and (d) allocation related to funding floor adjustments.*

**Item 3**

**Allocation of New Benefits Funding for 2014–2015**

**Action:** *The TCBCAC approved by a vote of 14 to 9 a motion that the Judicial Council at its July 29 meeting approve allocation of the new benefits funding for 2014–2015 by pro-rating the \$41.0 million in new funding to the courts based on each court's percentage of the total funding need. (The remaining \$1.8 million is for interpreter benefits and, per the Judicial Council's policy, would only be allocated to the courts if the Program 45.45 allocation is not sufficient to address these benefit costs.)*

**Item 4**

**Other Trial Court Trust Fund (TCTF) Allocations for 2014–2015**

Written comments were received from the Children's Law Center of California urging the TCBCAC to consider augmenting the current level of funding provided to dependency court counsel.

**Action:** *The TCBCAC unanimously approved a motion that the Judicial Council at its July 29 meeting adopt the TCBCAC recommendations regarding allocating \$21.19 million from the Trial Court Trust Fund (TCTF) Programs 30.05 and 30.15 expenditure authority in 2014–2015 for ten projects and programs, as well as allocating \$134.1 million from the TCTF Program 45.10 expenditure authority for costs related to court-appointed dependency counsel, jurors, self-help centers, replacement screening stations, criminal justice realignment, and elder abuse. Also, as required by Provision 12 of the Budget Act of 2014, the council would allocate \$325,000 in 2014–2015 to reimburse the California State Auditor for trial court audits.*

**Item 5**

**TCTF Revenue Shortfall**

**Action:** *The TCBCAC unanimously approved a motion that the Judicial Council at its July 29 meeting, take the following action:*

- (1) Pursuant to Government Code section 68502.5 (c)(2)(A) preliminarily allocate courts' 2014–2015 base allocations from the TCTF Program 45.10*

*appropriation under the assumption that any revenue shortfall that supports base allocations will be fully backfilled or funded. The council should then finalize allocations to trial courts in January of the fiscal year.*

- (2) Direct the Administrative Director of the Courts to send a letter to the Department of Finance (DOF) indicating that a deficiency request for any shortfall of revenue that supports courts' base allocations will be submitted by the Judicial Council after September 30, 2014, and subsequently direct the Administrative Director to submit such deficiency request after September 30, 2014. If the deficiency request is not successful and a reduction has to be made, the allocation would be sent back to the TCBCAC to review and to bring a recommendation for allocation to the council.*

*The TCBCAC also approved unanimously that it would inform the Judicial Council that it had discussions regarding allocations of the reduction and presented two options as the most viable allocation options but are not prepared to make a recommendation at this time. If the deficiency is not successful, TCBCAC will review the options again and come back to the council with a recommendation.*

#### **Item 6**

##### **Allocation of 2% TCTF Reserve Contributions**

*Action: No action was taken by the TCBCAC on this item. Members were informed that the recommendation approved by the TCBCAC at its June 3, 2014 meeting, that the same methodology approved by the Judicial Council in 2012–2013 and 2013–2014 for allocating each court's contribution towards the statutorily required 2 percent reserve in the TCTF be used for allocating courts' 2014–2015 contribution, will be presented to the council at its July 29, 2014 business meeting.*

#### **Item 7**

##### **Allocation Reduction Due to 1% Fund Balance Cap**

*Action: The TCBCAC approved unanimously the recommendations of the Judicial Council's Finance Director related to the 1 percent fund balance cap and recommend that the Judicial Council approve these processes as follows:*

###### **One-time process in 2014:**

- 1. Courts will be required to submit the 1% computation form (see Attachment 7B) with preliminary year-end information by July 18, 2014. The information provided by courts will be used by the council to make the preliminary allocation of reductions as required by statute. Courts would not be required to provide the details related to encumbrances, prepayments, and restricted revenue when submitting the form for the preliminary allocation.*
- 2. Courts will be required to submit the 1% computation form with final year-end information by October 15, 2014 for review by a committee consisting of*

***the following members: Court Executives Advisory Committee (CEAC) chair, CEAC vice chair, Judicial Council Chief Financial Officer, and two TCBAC members appointed by the TCBAC co chairs.***

- 3. The review committee will review each court's submission and either concur with the submission and provide the concurrence to the court or provide questions and comments to the court for clarification by November 15, 2014.***
- 4. Courts will have until December 1, 2014 to submit revised 1% computation forms.***
- 5. The Judicial Council Chief Financial Officer will report the information provided by courts for the final allocation reduction, if any, to the council prior to February 1, 2015.***

***Ongoing process starting in 2015:***

- 6. Each year courts will be required to submit the 1% computation form with preliminary year-end information by July 15. The information provided by courts will be used by the council to make the preliminary allocation of reductions as required by statute. Courts would not be required to provide the details related to encumbrances, prepayments, and restricted revenue when submitting the form for the preliminary allocation.***
- 7. Each year courts will be required to submit the 1% computation form with final year-end information by October 15.***
- 8. The Judicial Council Chief Financial Officer will report the information provided by courts for the final allocation reduction, if any, to the council prior to February.***

***In order to ensure consistency and compliance with the agreement and allowance from the DOF to exclude statutorily restricted funds and encumbrances from the 1% calculation, a one-time only review committee will be established to review the submissions. This is the critical year to ensure that it is done correctly in order to provide assurance to the DOF that the council and courts are treating this seriously in terms of compliance.***

**Item 8**

**Changes to the Supplemental Funding Process**

***Action: On a vote of 19 in favor and 4 opposed, the TCBAC approved a motion supporting the 2 Percent Reserve Process Working Group's recommendation that at its July 29, 2014 meeting, the Judicial Council approve that in January, after its December business meeting, it distribute 100 percent of the remaining TCTF 2 percent reserve funds. Courts would have two instead of four opportunities per fiscal year to request supplemental funding from the 2 percent reserve:***

- 1. Courts would still submit requests for supplemental funding for unavoidable budget shortfalls from the 2 percent reserve for consideration at the Judicial Council's October business meeting.**
- 2. Courts would have one opportunity to submit a supplemental funding request due to unforeseen emergencies or unanticipated expenses for existing programs for consideration by the Judicial Council at its December business meeting. The current council policy allows courts three opportunities to submit these types of requests for council consideration – its business meetings in December, January, and February.**

**The TCBAC approved unanimously, a motion that a recommendation be made to the Judicial Council at its July 29 business meeting that the council seek repeal of Government Code section 68502.5(c)(2)(B).**

**Item 9**

**Trial Court Minimum Operating and Emergency Fund Balance Policy**

**Action: The TCBAC approved unanimously a motion recommending to the Judicial Council that at its July 29 meeting, the council eliminate the Minimum Operating and Emergency Fund Balance Policy.**

**Item 10**

**State Trial Court Improvement and Modernization Fund (IMF) Allocations for 2014–2015**

**Action: This was an information item with no action required at this time.**

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**A D J O U R N M E N T**

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There being no further business, the meeting was adjourned at 2:30 p.m.

Approved by the advisory body on enter date.

**Item 1**

**Update on the TCTF and IMF Ending Fund Balances in 2013–2014  
(Discussion Item)**

**Trial Court Trust Fund (TCTF)**

The TCTF ended fiscal year 2013–2014 with a total fund balance of \$21.2 million, of which \$18.6 million was restricted and \$2.7 million was unrestricted (see Attachment 1B, column C). Due to savings in judges' compensation and the assigned judges program, the unrestricted fund balance was about \$2.5 million higher than the estimated provided at the council's July 29, 2014 business meeting. For 2014–2015, assuming zero savings and disencumbrances from prior years, the TCTF is projected to end the fiscal year with a total fund balance of \$22.3 million, of which \$15.8 million will be restricted and \$6.6 million will be unrestricted (see column D). \$2 million of the \$6.6 million is related to the preliminary reduction of \$2 million for fund balances that exceeded the 1-percent cap. There is likely to be at least two millions of savings from judges' compensation and the assigned judges programs and disencumbrances from prior years.

Revenues are projected to be \$1.1 million higher than expenses in 2014–2015. However, this assumes the \$30.9 million in General Fund backfill is provided and takes into consideration the \$22.7 million one-time reduction allocated by the council. Without the backfill and the reduction, there would be a projected deficit of about \$51.6 million.

**State Trial Court Improvement and Modernization Fund (IMF)**

The IMF ended fiscal year 2013–2014 with a total fund balance of \$2.1 million (see Attachment 1C, row 24, column B). For FY 2014–2015, the estimated fund balance of \$2.1 million is based on the following initial assumptions: 1) zero savings from the 2014–2015 allocations; 2) no additional disencumbrances from prior years; and 3) the estimated 2014–2015 revenue amount will be the same as the estimate provided in the May Revise in April 2014.

## Trial Court Trust Fund -- Fund Condition Statement

		2011-12 (Year-End Financial Statement)	2012-13 (Year-End Financial Statement)	2013-14 (Year-End Financial Statement)	2014-15 (Estimated) <sup>2</sup>
#	Description	Col. A	Col. B	Col. C	Col. D
1	Beginning Balance	72,918,702	105,535,205	82,346,997	21,218,232
2	Prior-Year Adjustments	42,010,999	19,260,408	(2,688,884)	-
3	<b>Adjusted Beginning Fund Balance</b>	<b>114,929,701</b>	<b>124,795,613</b>	<b>79,658,114</b>	<b>21,218,232</b>
4	Revenue	1,371,175,275	1,400,425,164	1,374,450,890	1,345,488,436
5	<i>Maintenance of Effort Obligation Revenue</i>	<i>658,592,100</i>	<i>658,893,532</i>	<i>658,755,572</i>	<i>659,050,502</i>
6	<i>Civil Fee Revenue</i>	<i>374,477,190</i>	<i>408,289,141</i>	<i>384,474,327</i>	<i>362,200,300</i>
7	<i>Court Operations Assessment Revenue</i>	<i>166,992,224</i>	<i>156,455,686</i>	<i>149,578,279</i>	<i>141,947,110</i>
8	<i>Civil Assessment Revenue</i>	<i>143,928,228</i>	<i>149,100,873</i>	<i>154,784,402</i>	<i>156,212,932</i>
9	<i>Parking Penalty Assessment Revenue</i>	<i>24,760,785</i>	<i>25,194,026</i>	<i>25,360,674</i>	<i>25,005,836</i>
10	<i>Interest from SMIF</i>	<i>159,820</i>	<i>218,660</i>	<i>94,882</i>	<i>58,130</i>
11	<i>Sanctions and Contempt Fines</i>	<i>1,825,133</i>	<i>1,484,984</i>	<i>1,237,263</i>	<i>956,774</i>
12	<i>Miscellaneous Revenue</i>	<i>439,795</i>	<i>788,263</i>	<i>165,492</i>	<i>56,852</i>
13	General Fund Transfer	888,857,988	263,691,000	742,319,017	911,419,000
14	General Fund Transfer - Revenue Backfill	-	-	-	30,900,000
15	Reduction Offset Transfers	233,000,000	86,709,000	26,080,000	26,080,000
16	Net Other Transfers/Charges/Reimbursements	(6,266,760)	(1,639,392)	(4,256,953)	(4,427,415)
17	<b>Total Revenue and Transfers/Charges/Reimbursements</b>	<b>2,486,766,503</b>	<b>1,749,185,772</b>	<b>2,138,592,954</b>	<b>2,309,460,021</b>
18	<b>Total Resources</b>	<b>2,601,696,204</b>	<b>1,873,981,385</b>	<b>2,218,251,067</b>	<b>2,330,678,253</b>
19	<b>Expenditures/Encumbrances/Allocations</b>				
20	Program 30 - Expenditures/Allocations	14,604,341	23,610,313	22,672,123	21,198,125
21	Program 30.05 - Judicial Council (Staff)	14,604,341	3,692,227	3,764,788	4,369,000
22	Program 30.15 - Trial Court Operations	-	19,918,086	18,907,335	16,816,000
23					
24	Program 45 - Expenditures/Allocations	2,481,556,657	1,767,802,888	2,174,214,014	2,285,712,502
25	Program 45.10 - Support for Operation of the Trial Courts	1,967,578,383	1,344,726,911	1,737,394,306	1,843,035,685
26	Program 45.25 - Comp. of Superior Court Judges	306,283,062	304,004,469	310,788,986	313,229,000
27	Program 45.35 - Assigned Judges	25,412,993	24,624,238	25,496,371	26,047,000
28	Program 45.45 - Court Interpreters	90,116,672	84,483,339	90,983,918	94,559,834
29	Program 45.55 - Grants	9,619,560	9,963,931	9,550,433	8,840,984
30	Item 601 - Redevelopment Agency Writ Case Reimbursements	-	221,186	146,697	250,000
31	<b>Total, Expenditures/Encumbrances/Allocations</b>	<b>2,496,160,999</b>	<b>1,791,634,387</b>	<b>2,197,032,835</b>	<b>2,307,147,502</b>
32	<b>Ending Fund Balance</b>	<b>105,535,205</b>	<b>82,346,997</b>	<b>21,218,232</b>	<b>23,530,751</b>
33					
34	<b>Fund Balance Detail</b>				
35	Restricted Fund Balance	9,993,232	16,219,124	18,557,776	16,942,749
36	<i>Court Interpreter</i>	<i>8,026,327</i>	<i>12,924,808</i>	<i>14,734,148</i>	<i>14,734,148</i>
37	<i>Court-Appointed Dependency Counsel Collections</i>	<i>1,746,444</i>	<i>2,315,264</i>	<i>996,574</i>	<i>800,000</i>
38	<i>Redevelopment Agency Writ Case Reimbursements</i>	-	<i>1,778,814</i>	<i>1,632,117</i>	<i>1,382,117</i>
39	<i>Administrative Services Costs Reimbursed by the Trial Courts</i>	-	-	<i>1,168,453</i>	-
40	<i>Sargent Shriver Civil Counsel</i>	<i>220,461</i>	<i>(799,762)</i>	<i>26,484</i>	<i>26,484</i>
41	Unrestricted Fund Balance	95,541,974	66,127,873	2,660,456	6,588,002
42					
43	<b>Revenue and Transfers Annual Surplus/(Deficit)</b>	<b>(9,394,496)</b>	<b>(42,448,616)</b>	<b>(58,439,881)</b>	<b>2,312,518</b>

## State Trial Court Improvement and Modernization Fund - Fund Condition Statement

	Description	FY 2013-14	FY 2014-15	FY 2015-16 Estimate	
		Year-end	Estimate <sup>6)</sup>	Continue to	Not Transfer
		Financial		Transfer \$20M	\$20M, Move V3
	Statement		to TCTF <sup>7)</sup>	Costs from	
		A	B	C	D
1	Beginning Balance	44,827,741	26,668,461	2,130,931	2,130,931
2	<b>Prior-Year Adjustments</b>				
3	Revenue Adjustment for FY 2013-14 <sup>1)</sup>		92,406		
4	Liquidated Encumbrances from FY 2012-13 <sup>2)</sup>	4,410,172	1,663,018	-	-
5	<b>Adjusted Beginning Balance</b>	<b>49,237,913</b>	<b>28,423,885</b>	<b>2,130,931</b>	<b>2,130,931</b>
6	<b>Revenues</b>				
7	50/50 Excess Fines Split Revenue <sup>3)</sup>	26,873,351	25,324,600	25,324,600	25,324,600
8	2% Automation Fund Revenue	15,242,700	14,845,200	14,845,200	14,845,200
9	Jury Instructions Royalties	445,365	445,365	445,365	445,365
10	Interest from SMIF	124,878	135,000	135,000	135,000
11	Other Revenues	24,476	3,062	-	-
12	<b>Transfers</b>				
13	From State General Fund	38,709,000	38,709,000	38,709,000	38,709,000
14	Transfer to Trial Court Trust Fund	(20,000,000)	(20,000,000)	(20,000,000)	-
15	Transfer to TCTF (GC 77209(k))	(13,397,000)	(13,397,000)	(13,397,000)	(13,397,000)
16	Transfer to TCTF (IMF Judicial Council staff savings)	(594,000)	(594,000)	(594,000)	(594,000)
17	<b>Net Revenue/Transfers</b>	<b>47,428,770</b>	<b>45,471,227</b>	<b>45,468,165</b>	<b>65,468,165</b>
18	<b>Total Resources</b>	<b>96,666,683</b>	<b>73,895,112</b>	<b>47,599,096</b>	<b>67,599,096</b>
19	<b>Expenditures/Encumbrances/Allocation</b>				
20	Program/Project Expenditure, Encumbrance, Allocation	69,878,695	71,466,600	71,732,095	71,732,095
21	V3 Non-reimbursed Costs (from TCTF to IMF)	-	-	-	6,258,838
22	Less: Pro Rata <sup>4)</sup>	580,982	297,581	297,581	297,581
23	<b>Total Expenditures/Encumbrances/Allocation</b>	<b>70,459,677</b>	<b>71,764,181</b>	<b>72,029,676</b>	<b>78,288,514</b>
24	<b>Fund Balance<sup>5)</sup></b>	<b>26,207,006</b>	<b>2,130,931</b>	<b>(24,430,580)</b>	<b>(10,689,418)</b>
25	Net Revenue/Transfers Over or (Under) Expenditure	(23,030,907)	(26,292,954)	(26,561,511)	(12,820,349)

**Note:**

- 1) The adjusted revenue amount of \$92,406 for FY 2013-14 (as of 9/22/2014) includes: a) under-accrued revenue - \$56,647 for 50-50 Excess and \$57,977 for Royalties; and b) over-accrued \$22,218 for 2% Automation Fund.
- 2) The adjusted disencumbrance amount of \$1,663,018 is from: office identified amount from FY 2012-13 and FY 2013-14, as of 9/22/2014. Since the amount of \$461,455 were already reported to the council on 7/29/2014, the additional amount is \$1,663,018 (\$2,124,473 less \$461,455 equals \$1,663,018).
- 3) 50-50 excess split revenue for FY 2013-14 - The updated amount is based on the amount provided by 57 counties, except Modoc, as of 8/18/2014. The total amount is \$1.076M lower than the original estimate of \$27.946M.
- 4) Per DOF's information on 9/4/2014, the prorata charge for FY 2014-15 is increased by \$134,687, from \$162,894 to \$297,581. We assume the same amount will be charged for FY 2015-16.
- 5) The fund balance for FY 2014-15: a) assuming revenue will be same as what was projected for May Revise, all allocation will be fully expended; b) the Judicial Council staff is looking into the unliquidated encumbrances for FY 2012-13 and FY 2013-14 to determine if any amount can be disencumbered in order to increase the fund balance by the end of FY 2014-15.
- 6) a) The beginning balance of \$26.7 million was provided to the council on 7/29/2014; b) The program/project allocation with \$600K one-time reduction to Jury management system for FY 2014-15 was approved by the council on 7/29/2014.
- 7) a) Assuming the \$20M will continue to be transferred from IMF to TCTF in FY 2015-16; b) The program/project allocation is based on the amount provided to the TCBCAC in March 2014, except for ITSO, which is \$6.365M lower than what was previously proposed, is based on the updated estimate provided by the ITSO on 8/14/2014.
- 8) a) Assuming the \$20M will not be transferred from IMF to TCTF in FY 2015-16; b) The V3 non-reimbursed costs for FY 2015-16 is based on the latest estimate provided by the ITSO, and this amount will be moved from TCTF to the IMF; c) the program/project allocation - see note 5 b) above.

**Item 2**

**Consideration of the Judicial Council’s July 29, 2014 Action on the TCTF Funding Shortfall (Action Item)**

**Issue**

Should the Trial Court Budget Advisory Committee recommend to the Judicial Council a formula different than the one adopted by the council to allocate a \$22.7 million reduction related to a projected shortfall in Trial Court Trust Fund revenues that support courts’ base allocations for operations?

**Background**

At its April 25, 2014 business meeting the Judicial Council directed the Judicial Council staff to prepare and submit to the state Department of Finance (DOF) a fiscal year 2014–2015 Spring Finance Letter requesting a \$70 million General Fund ongoing augmentation to the TCTF to address a projected shortfall in revenue in the TCTF that supports trial courts’ allocations for operations. The decline in projected revenues was primarily a result of a decline in paid, first paper civil filings and court operations assessment on criminal convictions.

The Spring Finance Letter was submitted. In his May revision the Governor proposed to provide \$30.9 million of General Fund revenues to backfill the potential fee revenue loss. In the May revision the Governor concluded that a portion of the projected fee revenue loss constituted revenues from locally based charges which are not part of a court’s allocation from the TCTF. None of the projected shortfall was based on local revenues and the DOF has been advised of and has acknowledged such. Despite this acknowledgement, the 2014–15 enacted budget only provided for the \$30.9 million, leaving a projected deficit of \$22.7 million.

The Funding Methodology Subcommittee met by phone on June 23 and 30, 2014 to discuss how to address the revenue shortfall. The subcommittee was provided with four options (see Attachment 2B).

At its July 9, 2014 meeting, the TCBAC adopted the following recommendations, which were considered by the council at its July 29, 2014 business meeting:

Related to an estimated shortfall of \$22.7 million in 2014–2015 TCTF revenue that supports courts’ base allocation for operations, adopt the following recommendations:

- a. Pursuant to Government Code section 68502.5 (c)(2)(A) the council should preliminarily allocate courts’ 2014–2015 base allocation of \$1.557 billion from the TCTF and General Fund Program 45.10 appropriation under the assumption that any revenue shortfall that

supports base allocations will be fully backfilled or funded. The council should then finalize allocations to trial courts in January of the fiscal year.

- b. The council should direct the Administrative Director of the Courts to send a letter to the Department of Finance indicating that a deficiency request for any shortfall of revenue that supports courts' base allocations will be submitted by the Judicial Council after September 30, 2014, and subsequently direct the Administrative Director to submit such deficiency request after September 30, 2014.
- c. If the deficiency request is not adopted by the Governor, the council should direct the TCBAC to provide the council with a recommendation on how the shortfall should be allocated among the courts.
- d. The council should review two preliminary options for allocating a reduction to the extent a shortfall in revenue that supports courts' base allocation is not backfilled or funded.

At its July 29, 2014 meeting, the council took the following action related to the TCBAC's recommendation:

With one opposing vote, related to an estimated shortfall of \$22.7 million in 2014–2015 TCTF revenue that supports courts' base allocation for operations:

- a. Under Government Code section 68502.5(c)(2)(A), preliminarily allocated courts' 2014–2015 base allocation of \$1.535 billion from the TCTF and General Fund Program 45.10 appropriation under the assumption that any revenue shortfall that supports base allocations will not be fully backfilled or funded. The council will finalize allocations to trial courts in January of the fiscal year.
- b. Directed the Administrative Director to send a letter to the Department of Finance (DOF) indicating that a deficiency request for any shortfall of revenue that supports courts' base allocations will be submitted by the Judicial Council after September 30, 2014, and subsequently directed the Administrative Director to submit such deficiency request after September 30, 2014.
- c. Allocated among the courts a share of the \$22.7 million shortfall based on their pro rata share of the 2014–2015 base allocation, less each court's 2011–2012 nonsheriff security allocation and invited the TCBAC to recommend a different allocation method for consideration at the council's October 2014 meeting.

The council used the second of the two preliminary options provided by the TCBAC (Scenario 2) to allocate a reduction of \$22.7 million and the corresponding funding floor adjustment (see

Attachment 2C). The formula used by the council is identical to the option provided in column 4 of Attachment 2B, except that the council's method incorporates the actual allocation of the \$41 million in new benefits funding whereas the option provided to the subcommittee in June 2014 assumed a different allocation formula. The first preliminary option (Scenario 1) is identical to the option provided in column 3 of Attachment 2B.

**Options**

Option 1: Do not recommend a different reduction allocation formula to the council.

Option 2: Recommend a different reduction allocation formula to the council for consideration at its October 28, 2014 business meeting.

**Recommendation**

The Funding Methodology Subcommittee unanimously recommends that the TCBAC (a) not recommend an alternative allocation formula for the council to consider and (b) recommend that that the council restores the \$22.7 million reduction such that each court receives back the same amount that it was reduced if and when funding to backfill the revenue shortfall is provided.

**Options for Allocation Reduction Related to Potential  
Revenue Shortfall**

<b>Court</b>	<b>Pro-rata using WAFM Historical Base 1</b>	<b>Pro-rata using 2014-15 WAFM Funding Need 2</b>	<b>Pro-rata using Estimated 2014- 15 base 3</b>	<b>2% Reserve Method (pro- rata using estimated 2014- 15 base less security) 4</b>
Alameda	(1,096,588)	(827,285)	(1,017,137)	(998,630)
Alpine	(8,701)	(3,220)	(10,067)	(10,318)
Amador	(32,786)	(25,641)	(31,501)	(32,285)
Butte	(114,845)	(124,162)	(120,595)	(117,155)
Calaveras	(30,743)	(25,526)	(26,832)	(27,501)
Colusa	(21,562)	(17,793)	(20,666)	(21,181)
Contra Costa	(518,558)	(521,323)	(510,418)	(523,130)
Del Norte	(34,705)	(33,354)	(33,506)	(34,340)
El Dorado	(92,674)	(87,534)	(85,917)	(88,057)
Fresno	(542,980)	(594,732)	(536,870)	(550,241)
Glenn	(28,550)	(22,007)	(25,082)	(25,572)
Humboldt	(78,886)	(71,037)	(75,896)	(75,472)
Imperial	(99,189)	(109,370)	(102,942)	(99,705)
Inyo	(27,143)	(18,779)	(27,898)	(26,018)
Kern	(453,559)	(643,898)	(502,082)	(513,682)
Kings	(75,098)	(84,653)	(80,776)	(76,967)
Lake	(45,758)	(36,028)	(43,191)	(41,556)
Lassen	(29,794)	(26,082)	(30,521)	(27,228)
Los Angeles	(6,184,949)	(6,936,306)	(6,570,720)	(6,537,178)
Madera	(93,814)	(91,863)	(91,936)	(88,964)
Marin	(210,200)	(129,243)	(174,684)	(178,901)
Mariposa	(14,507)	(11,880)	(14,426)	(14,786)
Mendocino	(69,008)	(59,887)	(66,633)	(64,163)
Merced	(142,353)	(166,589)	(145,059)	(148,672)
Modoc	(14,036)	(7,661)	(12,547)	(12,848)
Mono	(19,420)	(18,510)	(19,169)	(19,313)
Monterey	(205,005)	(215,211)	(210,049)	(203,278)
Napa	(95,953)	(77,052)	(92,853)	(91,089)
Nevada	(60,154)	(55,695)	(64,355)	(59,978)
Orange	(1,938,041)	(1,611,364)	(1,801,924)	(1,809,090)
Placer	(175,143)	(196,313)	(183,210)	(187,773)
Plumas	(22,709)	(13,408)	(18,457)	(18,916)
Riverside	(900,450)	(1,143,981)	(988,495)	(986,469)
Sacramento	(970,222)	(943,026)	(956,904)	(955,017)
San Benito	(39,334)	(28,486)	(33,549)	(34,385)
San Bernardino	(966,553)	(1,290,833)	(1,085,540)	(1,067,474)
San Diego	(1,934,151)	(1,583,435)	(1,776,886)	(1,812,074)
San Francisco	(835,016)	(600,648)	(764,468)	(783,508)
San Joaquin	(372,521)	(414,499)	(370,342)	(375,596)
San Luis Obispo	(167,118)	(173,225)	(170,200)	(171,105)
San Mateo	(469,133)	(410,054)	(449,251)	(454,328)
Santa Barbara	(289,411)	(240,725)	(276,809)	(269,148)
Santa Clara	(1,170,347)	(872,980)	(1,022,248)	(1,047,708)
Santa Cruz	(156,173)	(144,990)	(144,375)	(147,971)
Shasta	(116,757)	(120,035)	(150,014)	(120,785)
Sierra	(8,545)	(3,175)	(10,069)	(10,319)
Siskiyou	(51,288)	(28,334)	(42,489)	(43,547)
Solano	(247,475)	(266,546)	(251,233)	(251,484)
Sonoma	(296,984)	(305,121)	(292,347)	(293,559)
Stanislaus	(244,223)	(307,100)	(249,774)	(255,866)
Sutter	(53,627)	(61,568)	(56,173)	(54,164)
Tehama	(45,815)	(46,118)	(42,885)	(43,953)
Trinity	(15,607)	(13,679)	(21,252)	(15,565)
Tulare	(193,720)	(212,638)	(193,482)	(198,086)
Tuolumne	(40,812)	(33,349)	(39,432)	(37,372)
Ventura	(383,986)	(439,254)	(405,851)	(394,451)
Yolo	(102,496)	(107,026)	(110,290)	(104,996)
Yuba	(50,823)	(45,764)	(47,724)	(47,084)
<b>Total</b>	<b>(22,700,000)</b>	<b>(22,700,000)</b>	<b>(22,700,000)</b>	<b>(22,700,000)</b>

## Courts' Share of Estimated Revenue Shortfall of \$22.7 Million

Court	Scenario 1 - Pro-Rata of 2014-15 Base Allocation			Scenario 2 - Pro-Rata of 2014-15 Base Allocation less 2011-12 Non-Sheriff Security Allocation			Scenario 2 as % of Scenario 1
	Allocation of Shortfall	Additional Adjustment Related to Funding Floor	Net Allocation	Allocation of Shortfall	Additional Adjustment Related to Funding Floor	Net Allocation	
	A	B	C (A+B)	E	F	G (E+F)	H
Alameda	(1,018,529)	(6,510)	(1,025,039)	(1,000,038)	(6,272)	(1,006,310)	98%
Alpine	(6,488)	6,488	(0)	(6,650)	6,650	0	0%
Amador	(28,828)	(199)	(29,026)	(29,546)	(191)	(29,737)	102%
Butte	(120,834)	(758)	(121,592)	(117,395)	(732)	(118,127)	97%
Calaveras	(26,889)	(187)	(27,076)	(27,559)	(179)	(27,738)	102%
Colusa	(19,024)	19,024	0	(19,498)	19,498	0	0%
Contra Costa	(508,962)	(3,347)	(512,309)	(521,652)	(3,206)	(524,858)	102%
Del Norte	(33,573)	(218)	(33,791)	(34,410)	(209)	(34,619)	102%
El Dorado	(85,516)	(587)	(86,103)	(87,648)	(563)	(88,211)	102%
Fresno	(537,377)	(3,606)	(540,983)	(550,775)	(3,455)	(554,229)	102%
Glenn	(24,659)	24,659	-	(25,139)	25,139	-	0%
Humboldt	(76,055)	(495)	(76,549)	(75,634)	(476)	(76,110)	99%
Imperial	(103,038)	(653)	(103,691)	(99,800)	(630)	(100,431)	97%
Inyo	(25,401)	25,401	0	(23,456)	23,456	(0)	0%
Kern	(502,760)	(3,296)	(506,056)	(514,390)	(3,158)	(517,548)	102%
Kings	(80,920)	(499)	(81,419)	(77,111)	(483)	(77,594)	95%
Lake	(43,267)	(273)	(43,540)	(41,633)	(264)	(41,896)	96%
Lassen	(30,575)	(181)	(30,756)	(27,279)	(177)	(27,456)	89%
Los Angeles	(6,581,606)	(41,321)	(6,622,927)	(6,548,299)	(39,737)	(6,588,036)	99%
Madera	(90,784)	(589)	(91,373)	(87,780)	(569)	(88,349)	97%
Marin	(174,714)	(1,171)	(175,885)	(178,938)	(1,122)	(180,059)	102%
Mariposa	(13,141)	13,141	(0)	(13,468)	13,468	-	0%
Mendocino	(65,649)	(423)	(66,071)	(63,151)	(409)	(63,560)	96%
Merced	(144,130)	(970)	(145,100)	(147,724)	(930)	(148,653)	102%
Modoc	(12,095)	12,095	0	(12,386)	12,386	0	0%
Mono	(17,984)	17,984	0	(18,099)	18,099	-	0%
Monterey	(209,652)	(1,336)	(210,988)	(202,865)	(1,289)	(204,155)	97%
Napa	(92,936)	(581)	(93,516)	(91,171)	(559)	(91,731)	98%
Nevada	(64,485)	(373)	(64,858)	(60,107)	(362)	(60,469)	93%
Orange	(1,809,768)	(11,912)	(1,821,680)	(1,817,137)	(11,444)	(1,828,581)	100%
Placer	(182,831)	(1,168)	(184,000)	(184,389)	(1,119)	(188,509)	102%
Plumas	(18,508)	(128)	(18,636)	(18,970)	(123)	(19,092)	102%
Riverside	(984,223)	(6,317)	(990,540)	(982,088)	(6,073)	(988,161)	100%
Sacramento	(955,348)	(6,224)	(961,573)	(953,420)	(5,984)	(959,404)	100%
San Benito	(33,613)	(232)	(33,845)	(34,451)	(223)	(34,673)	102%

## Courts' Share of Estimated Revenue Shortfall of \$22.7 Million

	Scenario 1 - Pro-Rata of 2014-15 Base Allocation			Scenario 2 - Pro-Rata of 2014-15 Base Allocation less 2011-12 Non-Sheriff Security Allocation			Scenario 2 as % of Scenario 1
	Allocation of Shortfall	Additional Adjustment Related to Funding Floor	Net Allocation	Allocation of Shortfall	Additional Adjustment Related to Funding Floor	Net Allocation	
Court	A	B	C (A+B)	E	F	G (E+F)	H
San Bernardino	(1,086,660)	(6,872)	(1,093,532)	(1,068,603)	(6,619)	(1,075,223)	98%
San Diego	(1,778,378)	(11,741)	(1,790,119)	(1,813,641)	(11,255)	(1,824,897)	102%
San Francisco	(765,018)	(5,015)	(770,033)	(784,091)	(4,804)	(788,895)	102%
San Joaquin	(370,895)	(2,461)	(373,356)	(376,169)	(2,361)	(378,529)	101%
San Luis Obispo	(170,483)	(1,090)	(171,573)	(171,396)	(1,047)	(172,442)	101%
San Mateo	(449,877)	(2,923)	(452,800)	(454,975)	(2,805)	(457,780)	101%
Santa Barbara	(277,223)	(1,765)	(278,987)	(269,564)	(1,702)	(271,266)	97%
Santa Clara	(1,023,888)	(6,894)	(1,030,782)	(1,049,416)	(6,605)	(1,056,021)	102%
Santa Cruz	(144,580)	(961)	(145,541)	(148,184)	(921)	(149,105)	102%
Shasta	(149,727)	(750)	(150,477)	(120,460)	(745)	(121,205)	81%
Sierra	(6,394)	6,394	0	(6,553)	6,553	0	0%
Siskiyou	(42,213)	(283)	(42,495)	(43,265)	(271)	(43,536)	102%
Solano	(250,497)	(1,634)	(252,132)	(250,730)	(1,570)	(252,301)	100%
Sonoma	(292,464)	(1,927)	(294,391)	(293,679)	(1,852)	(295,531)	100%
Stanislaus	(250,217)	(1,685)	(251,902)	(256,327)	(1,615)	(257,942)	102%
Sutter	(56,256)	(364)	(56,621)	(54,247)	(352)	(54,599)	96%
Tehama	(42,965)	(297)	(43,262)	(44,036)	(285)	(44,321)	102%
Trinity	(20,110)	20,110	0	(14,389)	14,389	0	0%
Tulare	(193,682)	(1,282)	(194,964)	(198,296)	(1,228)	(199,524)	102%
Tuolumne	(39,505)	(247)	(39,752)	(37,445)	(239)	(37,684)	95%
Ventura	(406,514)	(2,580)	(409,094)	(395,118)	(2,489)	(397,607)	97%
Yolo	(110,465)	(656)	(111,121)	(105,170)	(635)	(105,804)	95%
Yuba	(47,826)	(316)	(48,143)	(47,188)	(304)	(47,493)	99%
<b>Total</b>	<b>(22,700,000)</b>	<b>0</b>	<b>(22,700,000)</b>	<b>(22,700,000)</b>	<b>(0)</b>	<b>(22,700,000)</b>	<b>100%</b>

### Item 3

#### Allocation of Funding Reductions (Action Item)

##### Issue

Should the Trial Court Budget Advisory Committee recommend to the Judicial Council a formula for allocating any future general funding reductions?

##### Background

The council has adopted a policy to allocate any new funding for general court operations using the Workload-Based Allocation and Funding Methodology, but it has not adopted a policy for allocating general funding reductions. When new funding for general court operations is provided in the state budget, council policy (1) allocates the new funding to each court 100 percent based on each court's share of the total WAFM funding need and (2) reallocates historical base funding up to the amount of the new funding using WAFM.

##### Options

Option 1: Recommend a general reduction allocation formula to the council (e.g., use WAFM or the formula used for computing each court's contribution to the 2% reserve).

Option 2: Do not recommend a general reduction allocation formula to the council.

##### Recommendation

The Funding Methodology Subcommittee unanimously recommends that the TCBAAC not adopt a formula for allocating any future funding reduction. Funding reductions can vary (e.g., one-time vs. ongoing) so any allocation formula that is recommended should be developed on a case-by-case basis, taking into consideration the type and nature of the reduction and other relevant factors.

**Item 4**  
**Juvenile Dependency Counsel Collections Program Allocation in 2014–2015**  
**(Action Item)**

**Issue**

The Juvenile Dependency Counsel Collections Program (JDCCP) is a program under which courts collect reimbursements from parents and other responsible persons liable for the cost of dependency-related legal services to the extent that those persons are able to pay. The Trial Court Budget Advisory Committee (TCBAC) must make a recommendation to the Judicial Council to allocate money remitted through the JDCCP in fiscal year (FY) 2013-2014, as determined by the methodology adopted by the council at its August 23, 2013 meeting.<sup>1</sup> \$525,139 of funds remitted through the JDCCP in FY 2013-2014 is available for allocation.

**Background**

At its October 26, 2012 meeting, the Judicial Council adopted the JDCCP Guidelines<sup>2</sup>, which fulfilled the council’s legislative mandate to “establish a program to collect reimbursements from the person liable for the costs of counsel appointed to represent parents or minors pursuant to Welfare & Institutions Code section 903.1 in dependency proceedings.” (Welf. & Inst. Code, § 903.47(a).)<sup>3</sup> As required by statute, the Guidelines include a statewide standard for determining an obligated person’s ability to pay reimbursement as well as policies and procedures to allow courts to recover costs associated with implementing the program.

At its August 23, 2013 meeting, the council adopted amendments to the Guidelines by adding what is now section 14, which addressed the outstanding issue of how the Judicial Council could equitably allocate the funds remitted through the JDCCP among the trial courts in compliance with the statutory mandate that the funds be used to reduce court-appointed attorney caseloads. Section 14 of the JDCCP Guidelines describes the allocation methodology, which considers each court’s participation in the program and each court’s percentage of the statewide court-appointed counsel funding need.

The council then allocated funds remitted through the JDCCP for the first time since the JDCCP’s inception at the February 20, 2014 Judicial Council meeting.<sup>4</sup> At this meeting, the council approved an allocation of \$2.3 million to eligible trial courts using the methodology in section 14 of the JDCCP guidelines. This allocation represented funds collected from January 2010 through June 30, 2013. Any portion of a court’s allocated funds not spent and distributed

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<sup>1</sup> Report to the Judicial Council. August 23, 2013, <http://www.courts.ca.gov/documents/jc-20130823-itemF.pdf>.

<sup>2</sup> The Guidelines took effect January 1, 2013, and are published as Appendix F of the California Rules of Court. [http://www.courts.ca.gov/documents/appendix\\_f.pdf](http://www.courts.ca.gov/documents/appendix_f.pdf).

<sup>3</sup> Report to the Judicial Council. October 26, 2016, <http://www.courts.ca.gov/documents/jc-20121026-itemA20.pdf>.

<sup>4</sup> Report to the Judicial Council, February 10, 2014, <http://www.courts.ca.gov/documents/jc-20140220-itemJ.pdf>.

in FY 2013–2014 has been carried forward for distribution to the court in FY 2014–2015 and subsequent years.

Attachment 4B provides information about the amount of JDCCP funding that could be allocated to courts in FY 2014-2015. The allocation amounts are based on the assumption that courts that receive an allocation meet the eligibility requirements. Eligibility to receive JDCCP funding is based on the following criteria, as described in Section 14 of the JDCCP Guidelines:

(1) *Participation*

The court has demonstrated its participation in the JDCCP by

(A) adopting a local rule or policy requiring the juvenile court to inquire at or before the close of each dispositional hearing about each responsible person’s ability to pay reimbursement and

(B) submitting annual reports under section 13.

(2) *Funding Need*

The court receives a base court-appointed counsel allocation that, viewed as a percentage of the available statewide funding, is less than its percentage share of the statewide court-appointed counsel funding need as estimated by the Caseload Funding Model.

The annual reports required as part of the *Participation* requirements are due to Judicial Council staff by September 30 of each year. Courts identified in Attachment 4B as meeting the *Funding Need* requirement that do not meet the *Participation* requirements may not be eligible for an allocation. If that is the case, staff will modify the table in Attachment 4B to redistribute the funds designated to that court pro rata to the other eligible courts.

**Recommendation**

The committee may consider recommending the following:

1. That the funds remitted through the JDCCP in FY 2013-2014 excluding administrative costs be allocated using the methodology approved by the council and outlined in Attachment 4B.
2. When the final information on court eligibility and the amount of JDCCP funding for distribution is determined on October 3, 2014, staff should make any required changes to the allocations in Attachment 4B and bring the final allocation to the council for approval.

3. If the recommended JDCCP funding allocation receives the council's approval, the TCBAC recommends that the council direct staff to notify courts regarding the remaining balance of JDCCP funding allocated in FY 2013-2014, and the amount of any new allocations in FY 2014-2015. As is the case for funding allocated in 2013-2014, any portion of a court's allocated funds not spent and distributed in FY 2014–2015 should be carried forward for distribution to the court in FY 2015–2016 and subsequent years.

Recommended Allocation per Court of \$525,139 in Collections Generated by the Juvenile Dependency Counsel Collections Program

Funding Analysis											
Court	Estimated Funding Need per Caseload Funding Model (CFM) Col. A	Estimated Funding Need as Percentage of Statewide Need (Col. A Total) Col. B	Allocation of CAC Base Funding in FY 13-14 Col. C	Allocation as a Percentage of Total CAC Base Funding in FY 13-14 (Col. C Total) Col. D	Eligible for JDCCP Funding <sup>1</sup> Col. E	Funding Need of Eligible Courts Col. F	Need as a % of Total Need of Eligible Courts (Col. F Total) Col. G	Recommended Allocation of FY 14-15 JDCCP Collections 525,139.00 Col. K	Allocated to Courts in FY 13-14 2,314,999.97 Col. L	FY 13-14 Allocation Spent to Date Col. M	FY 13-14 Allocation Remaining Col. N
Alameda	\$3,450,970.68	2.52%	4,171,032.46	4.02%	N	-	0.00%	-	-	-	-
Alpine*	\$0.00	0.00%	-	0.00%	N	-	0.00%	-	-	-	-
Amador	\$85,336.77	0.06%	120,146.93	0.12%	N	-	0.00%	-	-	-	-
Butte	\$833,636.96	0.61%	664,759.00	0.64%	N	-	0.00%	-	26,476.96	-	26,476.96
Calaveras	\$226,026.98	0.16%	76,519.00	0.07%	Y	226,026.98	0.25%	1,310.23	4,426.79	-	4,426.79
Colusa†	\$50,569.89	0.04%	-	0.00%	Y	50,569.89	0.06%	293.14	-	-	-
Contra Costa	\$2,716,647.74	1.98%	3,120,151.00	3.01%	N	-	0.00%	-	-	-	-
Del Norte	\$168,566.70	0.12%	223,089.81	0.22%	N	-	0.00%	-	-	-	-
El Dorado	\$614,078.75	0.45%	819,764.99	0.79%	N	-	0.00%	-	-	-	-
Fresno	\$2,937,650.85	2.14%	2,958,296.00	2.85%	N	-	0.00%	-	-	-	-
Glenn	\$166,060.64	0.12%	55,250.00	0.05%	Y	166,060.64	0.18%	962.62	4,298.85	-	4,298.85
Humboldt	\$458,193.85	0.33%	562,460.00	0.54%	N	-	0.00%	-	-	-	-
Imperial	\$545,032.34	0.40%	607,371.00	0.59%	N	-	0.00%	-	-	-	-
Inyo	\$34,019.37	0.02%	76,990.00	0.07%	N	-	0.00%	-	-	-	-
Kern	\$3,108,447.52	2.27%	2,023,943.00	1.95%	Y	3,108,447.52	3.43%	18,019.00	93,064.91	93,065.00	(0.09)
Kings	\$686,524.56	0.50%	199,672.35	0.19%	Y	686,524.56	0.76%	3,979.64	16,004.05	16,004.00	0.05
Lake	\$239,288.90	0.17%	307,076.27	0.30%	N	-	0.00%	-	-	-	-
Lassen	\$115,953.18	0.08%	108,374.00	0.10%	N	-	0.00%	-	-	-	-
Los Angeles	\$57,151,311.87	41.69%	32,782,704.00	31.61%	Y	57,151,311.87	63.09%	331,293.87	1,448,983.18	1,448,983.18	-
Madera	\$586,978.22	0.43%	53,030.50	0.05%	Y	586,978.22	0.65%	3,402.59	12,666.24	-	12,666.24
Marin	\$247,454.02	0.18%	408,418.72	0.39%	N	-	0.00%	-	-	-	-
Mariposa	\$51,591.50	0.04%	32,243.00	0.03%	Y	51,591.50	0.06%	299.06	1,518.80	-	1,518.80
Mendocino	\$518,939.79	0.38%	742,022.00	0.72%	N	-	0.00%	-	-	-	-
Merced	\$1,064,521.71	0.78%	593,861.37	0.57%	Y	1,064,521.71	1.18%	6,170.80	26,612.97	-	26,612.97
Modoc	\$20,432.28	0.01%	16,064.00	0.02%	N	-	0.00%	-	-	-	-
Mono	\$17,874.58	0.01%	12,329.00	0.01%	Y	17,874.58	0.02%	103.62	-	-	-
Monterey	\$667,373.42	0.49%	329,570.00	0.32%	Y	667,373.42	0.74%	3,868.62	15,927.10	15,927.00	0.10
Napa	\$294,546.52	0.21%	176,430.00	0.17%	Y	294,546.52	0.33%	1,707.42	7,683.87	-	7,683.87
Nevada	\$202,963.00	0.15%	232,799.00	0.22%	N	-	0.00%	-	-	-	-
Orange	\$6,056,115.22	4.42%	6,583,082.00	6.35%	N	-	0.00%	-	-	-	-
Placer	\$743,663.62	0.54%	418,422.00	0.40%	Y	743,663.62	0.82%	4,310.86	17,634.62	-	17,634.62
Plumas	\$82,240.12	0.06%	163,290.96	0.16%	N	-	0.00%	-	-	-	-
Riverside	\$10,235,491.48	7.47%	4,171,897.50	4.02%	Y	10,235,491.48	11.30%	59,332.94	268,169.93	-	268,169.93
Sacramento	\$4,443,854.42	3.24%	5,378,189.72	5.19%	N	-	0.00%	-	-	-	-
San Benito	\$209,882.19	0.15%	31,884.50	0.03%	Y	209,882.19	0.23%	1,216.64	5,117.67	-	5,117.67
San Bernardino	\$7,983,595.68	5.82%	3,587,297.00	3.46%	Y	7,983,595.68	8.81%	46,279.19	195,776.64	-	195,776.64
San Diego	\$7,678,774.64	5.60%	9,749,950.36	9.40%	N	-	0.00%	-	-	-	-
San Francisco	\$2,951,118.03	2.15%	3,907,633.00	3.77%	N	-	0.00%	-	-	-	-
San Joaquin	\$2,542,228.38	1.85%	3,081,900.92	2.97%	N	-	0.00%	-	-	-	-
San Luis Obispo	\$781,869.29	0.57%	707,000.04	0.68%	N	-	0.00%	-	-	-	-
San Mateo	\$1,050,915.74	0.77%	323,021.73	0.31%	Y	1,050,915.74	1.16%	6,091.93	23,183.23	23,183.00	0.23
Santa Barbara	\$1,318,162.00	0.96%	1,610,017.00	1.55%	N	-	0.00%	-	-	-	-
Santa Clara	\$3,340,629.23	2.44%	4,700,130.81	4.53%	N	-	0.00%	-	-	-	-
Santa Cruz	\$703,196.64	0.51%	894,764.81	0.86%	N	-	0.00%	-	-	-	-



## Item 8

### Allocation of Funding Reductions (Discussion Item)

#### Issue

Should the Trial Court Budget Advisory Committee recommend to the Judicial Council a specific way for allocating courts' 2013–2014 fund balances that exceed each court's 1-percent cap?

#### Background

At their July 29, 2014 business meeting, the council made a preliminary allocation reduction of \$2 million for non-excludable fund balances exceeding their 1-percent cap. Courts are required to submit their final 1% cap computation for 2013–2014 by October 15, 2014.

#### Options

Option 1: Allocate the monies to offset the \$22.7 million reduction related to the estimated revenue shortfall in the Trial Court Trust Fund.

Option 2: Allocate the monies for the same purposes as the 2 percent reserve (i.e., unavoidable funding shortfalls, unforeseen emergencies, or unanticipated expenses for existing programs), which is \$37.9 million in 2014–2015.

Option 3: Wait until 3 or 4 months of revenue data is available, and if revenue estimates suggest a decline in revenue beyond what is currently projected, use the monies as a reserve in the TCTF to absorb a potential further revenue decline.

Option 4: Allocate the monies for 2012–2013 and 2013–2014 benefit cost increases that were not fully funded by the Budget Act of 2014.

## Judicial Council of California

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### INVITATION TO COMMENT

#### SP14-06

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Title	Action Requested
Judicial Administration: Rule for Trial Court Budget Advisory Committee	Review and submit comments by September 19, 2014
Proposed Rules, Forms, Standards, or Statutes	Proposed Effective Date
Amend Cal. Rules of Court, rule 10.64	October 28, 2014
Proposed by	Contact
Executive and Planning Committee Hon. Douglas P. Miller, Chair	Susan R. McMullan, 415-865-7990 susan.mcmullan@jud.ca.gov

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#### Executive Summary and Origin

This proposal would amend California Rules of Court, rule 10.64, the rule for the Trial Court Budget Advisory Committee, to make a change to the membership category for presiding judges. It would provide that “presiding judge,” as used in the rule, means a current presiding judge or an immediate past presiding judge.

#### Background

Effective February 20, 2014, the council adopted rule 10.64 setting out the area of focus, additional duties, and membership provisions for the Trial Court Budget Advisory Committee.

#### The Proposal

##### The primary amendment to rule 10.64

Rule 10.64(c) would be amended to allow an immediate past presiding judge to serve as a member. Membership on the advisory committee is limited to presiding judges and court executive officers. Under the current rule, a judicial officer member must be a current presiding judge, although the rule permits a presiding judge to complete his or her term on the advisory committee even if his or her term as presiding judge of a trial court ends. Thus, a presiding judge could be appointed to the advisory committee at the beginning of his or her first or second year as presiding judge and continue to serve the three-year advisory committee term after stepping down as presiding judge.<sup>1</sup> But the committee has found that a member’s experience as a presiding judge is invaluable and believes that allowing an immediate past presiding judge to be

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<sup>1</sup> Most advisory committee terms are three years. “The Chief Justice appoints advisory committee members to three-year terms unless another term is specified in these rules.” (Cal. Rules of Court, rule 10.31(b).)

*The proposals have not been approved by the Judicial Council and are not intended to represent the views of the council, its Rules and Projects Committee, or its Policy Coordination and Liaison Committee. These proposals are circulated for comment purposes only.*

appointed would benefit the work of the committee and, ultimately, the Judicial Council, as it makes decisions about the allocation of funds to trial courts. Presiding judges and court executives, who lead and manage trial courts and are most familiar with and experienced in courts' needs and budgets, are essential to the committee's work and exclusively make up its membership. A court executive officer usually remains in that position for many years beyond the three-year membership term of the advisory committee and can therefore serve multiple terms, if appropriate. A presiding judge, by contrast, usually serves for two years in that capacity and can serve out only one advisory committee term before becoming ineligible under the current rule. The proposal would rectify this problem by allowing an immediate past presiding judge to serve. A judge who just completed a term as presiding judge would have recent experience in leading and managing a court and would be well aware of a court's current needs and challenges, while also being removed from the day-to-day leadership of a trial court. A judge in this position would benefit the committee.

Allowing an immediate past presiding judge to complete his or her term is important for continuity of committee membership and to avoid having three-year terms cut unexpectedly. The amendment is drafted to accomplish this goal. For example, an immediate past presiding judge could be appointed to the committee and be succeeded on the court by another presiding judge, who could be succeeded by another presiding judge, all during the initial judge's three-year membership term on the committee. In this example, the initial judge—who is serving on the committee—would no longer be an immediate past presiding judge. But because the proposal would define *presiding judge* as a “current presiding judge or an immediate past presiding judge,” and current rule 10.64 permits a presiding judge on the committee to complete his or her term even if his or her term as presiding judge of a trial court ends, a member in this circumstance could complete his or her committee term. That person would be within the rule's definition of presiding judge and could complete his or her term.

The motivation for this change is to increase the pool of presiding judge applications for upcoming nomination cycles. In the 2014–2015 cycle, the number of presiding judge applicants was insufficient for the number of available membership slots. The proposed change would address these recruitment issues as well as provide a mechanism, as noted above, for retaining critical budget knowledge acquired by presiding judges.

#### **Other amendments to rule 10.64**

Rule 10.64(c)(2) would also be amended to provide that no more than two members of the committee may be from the same court. Currently, the rule provides that a presiding judge and a court executive officer may not be from the same court. With the amendment that defines a presiding judge as a “current presiding judge or an immediate past presiding judge,” two presiding judges and a court executive officer from the same court could simultaneously serve on the committee unless subdivision (c)(2) is changed as proposed.

Subdivision (c)(5) would be amended to replace “Administrative Office of the Courts’ ” with “Judicial Council’s,” reflecting the recent retirement of the name Administrative Office of the

Courts and to replace “director of the fiscal services office” with “director of Finance” reflecting a change in the name of that office. Also, a change in the cochair structure would be made by deleting subdivision (d), which currently provides that “[t]he Chief Justice appoints a presiding judge and the Director of the Fiscal Services Office to serve as cochairs.” With this amendment, the director of Finance would no longer serve as cochair. The rule would not need a provision concerning the chair or cochairs of the committee because rule 10.31(c) addresses this issue for all advisory committees.

### **Alternatives Considered**

The rule could remain unchanged but the committee would not gain the benefits of an immediate past presiding judge’s experience and knowledge.

### **Implementation Requirements, Costs, and Operational Impacts**

Immediately after the rule is amended, a solicitation for nominations for membership would occur for a period of approximately two weeks. This would allow the appointment of members who are immediate past presiding judges, among other members. Members would likely be appointed by January 1, 2015, so that the Trial Court Budget Advisory Committee could begin meeting when the Governor releases the January budget proposal. This timeline would allow continuity in membership through the budget cycle so that the advisory committee could most effectively analyze the proposed trial court budget and assist in developing data necessary to support trial court budget advocacy efforts.

## **Request for Specific Comments**

In addition to comments on the proposal as a whole, the Executive and Planning Committee is interested in comments on the following:

- Does the proposal appropriately address the stated purpose?

### **Attachments and Links**

1. Cal. Rules of Court, rule 10.64, at page 4

Rule 10.64 of the California Rules of Court would be amended, effective December 12, 2014, to read:

1 **Rule 10.64. Trial Court Budget Advisory Committee**

2  
3 **(a)–(b) \* \* \***

4  
5 **(c) Membership**

6  
7 (1) The advisory committee consists of an equal number of trial court presiding  
8 judges and court executive officers reflecting diverse aspects of state trial  
9 courts, including urban, suburban, and rural locales; the size and adequacy of  
10 budgets; and the number of authorized judgeships. For purposes of this rule,  
11 “presiding judge” means a current presiding judge or an immediate past  
12 presiding judge.

13  
14 (2) ~~A presiding judge and court executive officer~~ No more than two members  
15 may be from the same court.

16  
17 (3) The chairs of the Trial Court Presiding Judges Advisory Committee and the  
18 Court Executives Advisory Committee serve as ex officio voting members.

19  
20 (4) Notwithstanding rule 10.31(e), a presiding judge is qualified to complete his  
21 or her term on the advisory committee even if his or her term as presiding  
22 judge of a trial court ends.

23  
24 (5) ~~The Administrative Office of the Courts’~~ Judicial Council’s chief of staff,  
25 chief administrative officer, chief operating officer, and director of ~~the fiscal~~  
26 ~~services office~~ Finance serve as non-voting members.

27  
28 **(d) Cochairs**

29  
30 ~~The Chief Justice appoints a presiding judge and the Director of the Fiscal Services~~  
31 ~~Office to serve as cochairs.~~

**Item B**  
**Dispute Resolution Program Distributions**  
**(Information Only Item)**

**Issue**

As authorized by Business and Professions Code (BPC) section 470.5, Merced County has requested an \$8 distribution from court filing fees, effective January 1, 2015, to fund a dispute resolution program. This distribution will result in an annual reduction of approximately \$36,000 to the Trial Court Trust Fund (TCTF) monies available for courts' base allocations.

**Background**

BPC section 470.5 provides that a county that has established a dispute resolution program may approve a new or increased distribution from certain first paper filing fees to fund the program. The statute limits the amount that can be distributed for support of a dispute resolution program to no more than \$8 per paid filing fee. Any distribution changes made under BPC section 470.5 become effective on either January 1 or July 1. The county is required to provide the Judicial Council a copy of the action of the board of supervisors authorizing the new or increased distribution at least 15 days before the effective date.

There are currently 39 counties that are receiving a distribution for a dispute resolution program. Five of these are receiving less than the maximum distribution allowed. Counties may request that distributions be directed to their respective courts in cases where the court administers the program. In fiscal year 2013–2014 a total of \$7,670,831 was distributed for all existing dispute resolution programs. If all counties, including Merced County, requested the maximum distribution allowed, the TCTF funds available for courts' base allocations would be further reduced by approximately \$258,000 annually. Attachment B2 provides a breakdown of recent annual distributions and the maximum potential annual distribution by county.

**Dispute Resolution Program Distributions**  
**FY 2012-13 and FY 2013-14 Distributions and Maximum Potential Distribution**

Court	\$ Distribution per Filing	FY 2012-13 \$ Distributions			FY 2013-14 \$ Distributions			Maximum Potential \$ Distribution <sup>1</sup>	Maximum Potential \$ Distribution Increase over FY 2013-14 <sup>1</sup>
		To County	To Court	Total	To County	To Court	Total		
Alameda	8	307,227		307,227	279,036		279,036	279,036	0
Alpine				0			0	161	161
Amador				0			0	5,629	5,629
Butte	8	42,067		42,067	39,453		39,453	39,453	0
Calaveras				0			0	6,877	6,877
Colusa				0			0	2,720	2,720
Contra Costa	8	209,739		209,739	202,611		202,611	202,611	0
Del Norte				0			0	3,832	3,832
El Dorado	8	33,702		33,702	31,663		31,663	31,663	0
Fresno	8		180,551	180,551		172,951	172,951	172,951	0
Glenn				0			0	4,677	4,677
Humboldt	8	22,001		22,001	20,585		20,585	20,585	0
Imperial				0			0	25,020	25,020
Inyo	8	2,128		2,128	2,148		2,148	2,148	0
Kern	8		162,159	162,159		154,466	154,466	154,466	0
Kings				0			0	23,047	23,047
Lake	8	12,220		12,220	11,104		11,104	11,104	0
Lassen				0			0	4,062	4,062
Los Angeles	8	2,642,475		2,642,475	2,497,930		2,497,930	2,497,930	0
Madera	3	8,692		8,692	7,848		7,848	20,929	13,080
Marin	8	50,328		50,328	46,339		46,339	46,339	0
Mariposa				0			0	2,300	2,300
Mendocino	8	14,091		14,091	13,694		13,694	13,694	0
Merced				0			0	36,371	36,371
Modoc	2	379		379	299		299	1,198	898
Mono	8	2,581		2,581	1,592		1,592	1,592	0
Monterey	8	23,776	42,650	66,427		61,410	61,410	61,410	0
Napa				0			0	23,693	23,693
Nevada	8	18,071		18,071	15,621		15,621	15,621	0
Orange	8	731,302		731,302	677,476		677,476	677,476	0
Placer	8	72,534		72,534	66,155		66,155	66,155	0
Plumas				0			0	2,915	2,915
Riverside	8	512,077		512,077	464,129		464,129	464,129	0
Sacramento	8	473,919		473,919	447,021		447,021	447,021	0

**Dispute Resolution Program Distributions**  
**FY 2012-13 and FY 2013-14 Distributions and Maximum Potential Distribution**

Court	\$ Distribution per Filing	FY 2012-13 \$ Distributions			FY 2013-14 \$ Distributions			Maximum Potential \$ Distribution <sup>1</sup>	Maximum Potential \$ Distribution Increase over FY 2013-14 <sup>1</sup>
		To County	To Court	Total	To County	To Court	Total		
San Benito				0			0	9,020	9,020
San Bernardino	8	491,052		491,052	421,677		421,677	421,677	0
San Diego	8	662,654		662,654	613,257		613,257	613,257	0
San Francisco	8	239,798		239,798	224,909		224,909	224,909	0
San Joaquin	8	137,477		137,477	126,568		126,568	126,568	0
San Luis Obispo	8	47,757		47,757	42,909		42,909	42,909	0
San Mateo	8		128,710	128,710		124,031	124,031	124,031	0
Santa Barbara	8	76,063		76,063	70,186		70,186	70,186	0
Santa Clara	8	302,337		302,337	283,243		283,243	283,243	0
Santa Cruz	8	40,282		40,282	35,068		35,068	35,068	0
Shasta				0			0	33,136	33,136
Sierra				0			0	280	280
Siskiyou	3	3,039		3,039	2,782		2,782	7,419	4,637
Solano	8	92,882		92,882	23,760	65,818	89,578	89,578	0
Sonoma	8	98,182		98,182	84,495		84,495	84,495	0
Stanislaus	8		98,889	98,889		96,095	96,095	96,095	0
Sutter				0			0	17,111	17,111
Tehama	3	4,095		4,095	4,138		4,138	11,035	6,897
Trinity				0			0	1,472	1,472
Tulare	8		72,937	72,937		73,333	73,333	73,333	0
Tuolumne	8	8,564		8,564	7,967		7,967	7,967	0
Ventura	8	163,646		163,646	146,698		146,698	146,698	0
Yolo	3	11,293		11,293	10,363		10,363	27,635	17,272
Yuba				0			0	12,872	12,872
<b>Total</b>		<b>7,558,431</b>	<b>685,897</b>	<b>8,244,328</b>	<b>6,922,727</b>	<b>748,104</b>	<b>7,670,831</b>	<b>7,928,812</b>	<b>257,980</b>

Note 1) Assumes all courts have a dispute resolution program, an \$8 distribution per filing and the same filing activity that occurred in FY 2013-14.

**Item C**

**FY 2013–2014 50/50 Excess Split Revenue Distribution to Trial Courts**

Based on the revenue received and posted by the State Controller’s Office for each county, the 50/50 excess split revenue from FY 2013–2014 did not exceed the total amount from FY 2002–2003. Thus, there will be no distribution to the trial courts in FY 2014–2015. The excess split revenue has not exceeded the 2002–2003 level since 2007–2008 (see Attachments C2 and C3). Essentially every revenue category has contributed to the overall decline in the revenue since 2007–2008 (see Attachments C4 and C5).

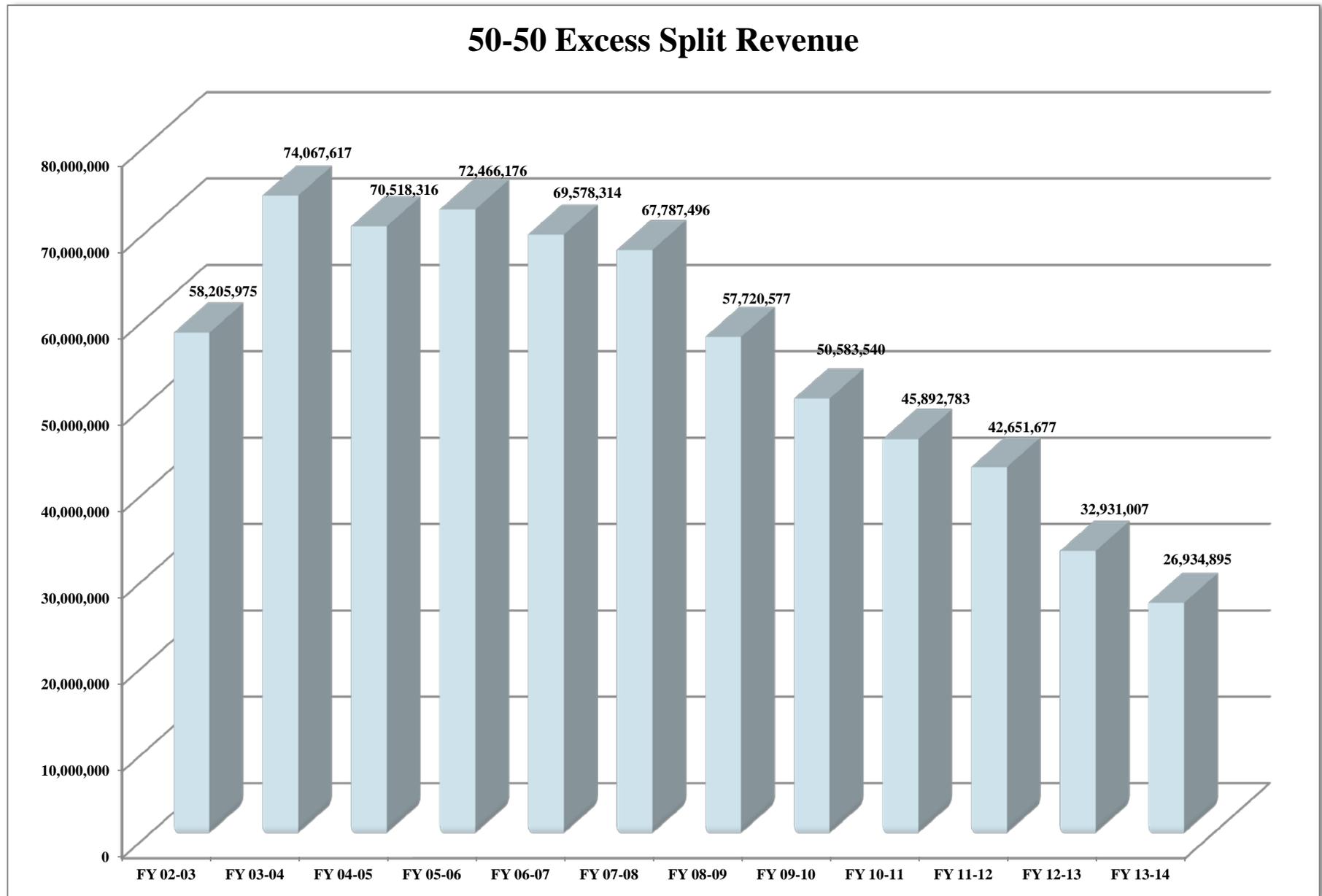
Government Code section 77205(a) and California Rule of Court 10.105 require the council to allocate of 80 percent of the 50/50 excess split revenues that exceed the total amount from FY 2002–2003 base level, among the following:

- The trial court in the county from which the revenue was deposited
- Other trial courts, as provided in paragraph (1) of subdivision (a) of Section 68085
- For retention in the State Trial Court Improvement and Modernization Fund (IMF)

On December 10, 2004, the council adopted a methodology whereby the trial courts in counties whose 50/50 excess split revenues exceeded the FY 2002–2003 base level would receive a pro rata share of a minimum of 20 percent of the total excess revenues. The remainder would be retained in the IMF. From FY 2004–2005 to FY 2007–2008, total 50/50 excess split revenues exceeded the total amount from FY 2002–2003 base level, and pro rata distributions were made to eligible trial courts from 20 percent of the excess revenue based the on the council approved methodology.

## 50-50 Excess Split Revenue

County	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Alameda	1,756,180	2,282,840	2,339,652	2,205,493	1,718,455	2,395,506	1,278,976	898,062	1,082,858	1,555,815	1,875,576	989,558
Alpine	37,047	71,042	44,276	14,528	13,924	11,584	11,936	20,008	16,664	30,819	14,464	8,469
Amador	53,662	90,082	69,730	33,161	98,658	106,338	71,741	76,339	69,920	307,491	35,347	36,560
Butte	316,805	438,860	219,906	313,525	394,368	476,501	393,727	414,788	421,147	410,315	322,643	227,485
Calaveras	107,728	62,411	86,749	128,735	145,087	119,145	22,254	36,131	43,217	25,796	37,847	63,000
Colusa	159,377	178,911	208,046	196,601	149,205	172,352	108,398	193,982	301,347	295,982	187,029	152,845
Contra Costa	1,815,021	2,058,419	2,090,266	1,683,683	1,486,579	2,602,305	956,962	916,573	1,149,141	1,303,008	1,038,339	925,720
Del Norte	183,843	138,148	118,536	153,659	141,061	158,544	90,270	78,538	82,404	92,011	77,090	79,723
El Dorado	299,136	273,132	203,439	260,150	135,824	211,491	228,537	229,601	66,249	253,519	207,597	173,743
Fresno	1,439,959	2,017,996	1,995,248	4,202,463	2,119,519	2,690,525	2,161,104	2,021,267	1,611,567	1,367,413	1,380,390	859,961
Glenn	237,830	296,278	256,456	373,410	345,360	358,326	415,708	424,053	439,769	319,003	277,237	278,214
Humboldt	0	82,398	100,914	88,735	212,278	273,644	188,455	150,469	145,438	121,376	63,046	30,090
Imperial	430,473	250,627	507,290	643,762	858,036	1,253,974	775,189	648,888	691,461	602,581	557,218	816,759
Inyo	198,690	199,213	203,527	242,417	214,934	156,331	172,470	179,232	201,556	182,986	68,078	58,966
Kern	2,099,967	3,267,017	3,127,486	3,455,741	2,879,899	2,392,786	2,311,201	2,668,199	3,580,611	3,601,132	2,826,191	2,571,583
Kings	315,420	359,082	433,519	684,221	498,215	552,066	768,202	643,594	695,184	608,228	503,081	457,399
Lake	177,900	152,746	174,330	147,241	152,794	177,755	199,744	75,219	62,474	40,875	1,173	27,264
Lassen	212,822	218,877	0	76,222	97,944	142,835	77,234	38,020	13,995	15,992	415,273	50,677
Los Angeles	10,443,381	15,546,867	13,506,073	13,606,842	13,418,327	13,399,107	10,980,166	8,632,105	6,892,109	2,193,135	1,381,962	0
Madera	0	240,620	29,420	0	54,252	21,417	69,284	274,787	187,150	632,658	0	22,127
Marin	477,179	686,233	788,401	1,148,926	713,865	810,382	662,261	589,943	345,753	206,266	288,270	129,870
Mariposa	0	15,544	37,377	78,875	112,346	75,436	315,618	67,066	86,534	32,814	44,586	51,614
Mendocino	294,992	381,345	445,403	368,983	536,123	567,557	314,409	508,817	382,078	258,538	236,529	282,285
Merced	606,749	456,012	717,382	785,461	665,352	763,695	767,099	694,183	1,319,549	699,322	557,445	539,997
Modoc	4,980	1,238	0	9	25	0	0	12,778	0	0	0	4,897
Mono	0	0	127,640	115,351	118,432	167,177	195,839	77,863	116,476	109,117	79,977	24,778
Monterey	222,156	50,413	343,667	831,053	638,201	693,731	778,438	531,934	598,479	514,339	256,281	225,240
Napa	361,257	371,225	344,261	355,388	398,538	321,418	286,035	347,488	353,300	248,751	312,087	305,463
Nevada	0	62,189	53,558	39,858	170,204	130,832	36,050	19,769	0	0	0	0
Orange	5,084,038	5,810,330	5,176,355	5,369,083	5,187,585	4,958,538	3,104,384	297,078	177,968	4,949,451	523,715	652,760
Placer	922,638	1,297,674	1,272,334	1,089,522	1,179,250	1,252,842	1,395,720	1,089,907	790,714	583,547	495,041	465,058
Plumas	0	85,849	86,898	70,087	95,087	45,047	37,264	143,224	73,124	55,203	26,142	25,593
Riverside	3,343,986	5,932,799	4,686,130	5,055,935	5,026,473	4,444,701	4,648,926	4,459,127	3,731,360	3,139,019	3,079,656	2,522,702
Sacramento	2,637,044	3,187,574	3,655,778	3,048,647	2,305,771	2,474,507	2,310,727	1,887,143	2,165,579	1,911,278	2,014,631	2,198,711
San Benito	271,658	155,989	140,834	284,994	215,209	227,668	165,407	90,380	96,402	42,884	88,085	47,070
San Bernardino	4,059,875	5,122,636	5,092,380	5,900,610	6,558,726	5,705,904	4,928,745	3,670,915	3,756,696	2,879,533	2,434,654	2,327,699
San Diego	4,276,751	5,373,452	4,763,152	4,897,768	5,545,703	4,039,161	3,453,187	5,035,163	3,189,835	2,859,783	2,638,877	1,723,423
San Francisco	1,878,248	1,714,216	1,042,818	1,073,761	982,110	923,619	1,119,763	905,180	849,387	1,350,980	1,523,845	1,576,394
San Joaquin	803,605	1,172,104	1,553,295	1,072,579	1,112,158	777,590	1,224,710	724,078	765,088	362,604	559,499	533,614
San Luis Obispo	490,350	556,329	443,948	518,872	610,270	523,034	587,269	885,008	424,641	344,491	279,675	72,626
San Mateo	931,995	1,043,883	719,098	730,012	1,013,951	1,078,762	895,589	1,167,155	1,631,292	923,734	1,078,890	754,599
Santa Barbara	912,513	882,688	666,511	802,139	510,101	587,689	528,822	512,938	805,057	770,673	417,654	607,542
Santa Clara	2,768,166	811,891	2,651,450	1,694,161	1,805,924	1,004,841	790,122	339,804	36,887	0	0	0
Santa Cruz	257,807	293,803	1,421,082	609,161	411,779	352,625	340,557	286,133	278,780	410,815	244,478	266,612
Shasta	443,683	556,760	536,023	483,369	483,401	407,817	528,361	428,669	334,040	294,013	259,197	194,151
Sierra	40,103	23,350	18,297	17,378	34,360	23,114	2,217	12,553	6,113	6,536	5,016	3,825
Siskiyou	345,163	480,862	337,409	242,311	212,813	202,990	283,163	313,742	296,519	299,384	248,033	146,586
Solano	615,263	998,076	1,392,671	1,354,440	1,084,102	806,350	810,237	529,223	361,266	164,699	27,746	0
Sonoma	1,051,276	950,478	1,085,711	564,911	976,863	921,444	805,188	770,944	805,492	1,674,650	859,304	702,647
Stanislaus	762,307	930,894	862,962	1,019,138	1,036,665	1,304,948	841,604	823,993	847,824	593,350	404,827	383,428
Sutter	186,126	252,341	245,742	243,449	332,773	361,183	209,179	94,037	23,557	120,742	58,049	67,052
Tehama	234,259	294,974	274,942	409,795	300,081	390,902	308,093	257,882	250,250	126,216	117,073	122,138
Trinity	30,984	36,336	45,280	47,099	52,436	62,232	52,936	30,260	9,330	0	0	0
Tulare	664,421	1,964,205	828,462	685,175	893,939	1,031,219	965,471	1,131,818	1,014,478	1,074,997	1,084,807	960,385
Tuolumne	163,731	360,765	182,217	209,546	184,845	181,034	164,464	130,478	549,006	123,868	137,702	95,637
Ventura	2,070,951	3,028,637	2,140,857	1,987,709	2,056,720	1,633,602	1,867,025	1,872,731	1,145,471	1,046,789	818,457	620,545
Yolo	545,787	289,078	400,701	394,449	428,843	481,113	443,571	617,507	363,098	310,535	304,408	319,331
Yuba	160,692	209,878	222,429	355,586	452,590	380,263	270,572	606,778	157,098	202,626	156,792	150,483
<b>Total</b>	<b>58,205,975</b>	<b>74,067,617</b>	<b>70,518,316</b>	<b>72,466,176</b>	<b>69,578,314</b>	<b>67,787,490</b>	<b>57,720,577</b>	<b>50,583,540</b>	<b>45,892,783</b>	<b>42,651,677</b>	<b>32,931,007</b>	<b>26,934,895</b>



Note: Revenues for FY 2013-14 is based on the actual amount posted by the State Controller's Office as of 9/19/2014.

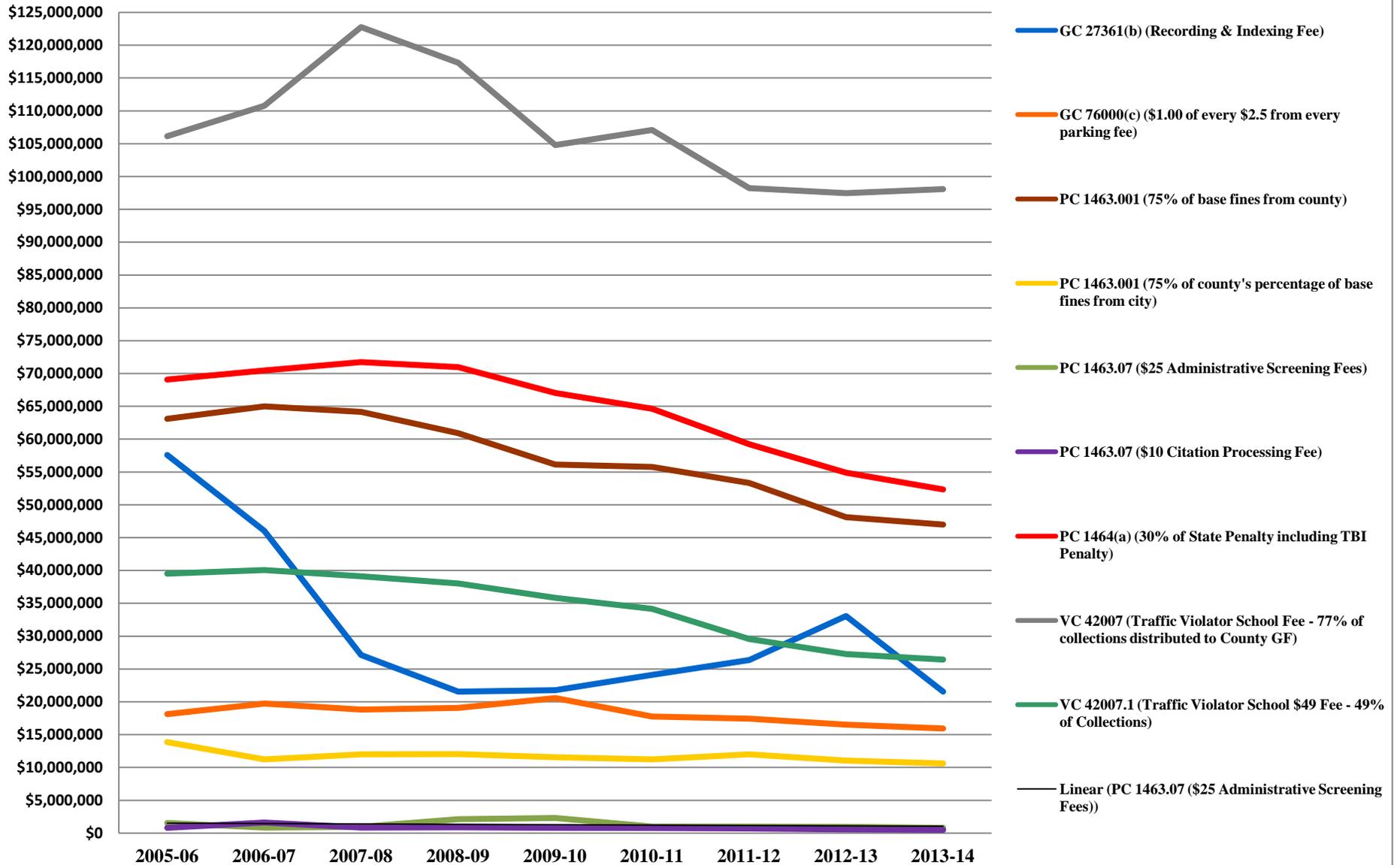
### Revenues Subject to 50-50 Excess Split Revenue

(Amounts in dollars)

Revenue Category	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
GC 27361(b) (Recording & Indexing Fee)	57,595,599	46,025,052	27,136,554	21,550,780	21,763,207	24,087,832	26,366,391	33,062,213	21,545,849
GC 76000(c) (\$1.00 of every \$2.5 from every parking fee)	18,132,666	19,732,098	18,817,863	19,087,160	20,550,643	17,768,599	17,419,675	16,530,226	15,954,192
PC 1463.001 (75% of base fines from county)	63,082,101	65,000,836	64,163,118	60,920,192	56,133,963	55,785,613	53,328,230	48,114,718	46,988,386
PC 1463.001 (75% of county's percentage of base fines from city)	13,848,886	11,253,954	11,997,078	12,032,330	11,579,506	11,243,145	11,992,561	11,042,039	10,615,060
PC 1463.07 (\$25 Administrative Screening Fees)	1,561,917	841,033	968,207	2,133,898	2,313,593	987,757	1,004,949	958,224	818,684
PC 1463.07 (\$10 Citation Processing Fee)	806,303	1,632,608	838,861	872,349	799,341	790,518	694,044	549,800	484,851
PC 1464(a) (30% of State Penalty including TBI Penalty)	69,069,348	70,474,991	71,747,445	70,959,453	67,029,610	64,613,500	59,225,688	54,886,040	52,350,950
VC 42007 (Traffic Violator School Fee - 77% of collections distributed to County GF)	106,128,359	110,749,210	122,762,850	117,321,215	104,801,396	107,073,533	98,213,294	97,464,760	98,094,183
VC 42007.1 (Traffic Violator School \$49 Fee - 49% of Collections)	39,506,143	40,075,291	39,121,898	38,021,349	35,824,432	34,165,731	29,562,465	27,256,352	26,440,903
<b>Total</b>	<b>369,731,321</b>	<b>365,785,073</b>	<b>357,553,873</b>	<b>342,898,726</b>	<b>320,795,690</b>	<b>316,516,228</b>	<b>297,807,298</b>	<b>289,864,372</b>	<b>273,293,058</b>

Data source: the 50-50 Excess Split Revenue Computation Form provided by the counties or courts annually. Data prior to FY 2005-06 is either not available, or incomplete.

### Revenue Subject to 50-50 Excess Split Revenue



**Item 5****Proposed Adjustments to the IMF FY 2014–2015 Allocations for Education Programs  
(Action Item)****Issue**

The Council approved the FY 2014–2015 allocations funded from the State Trial Court Improvement and Modernization Fund (IMF) in April 2014. This included the funding for the initial year of the FY 2014–2016 Judicial Branch Education Plan presented by the Governing Committee for the Center for Judicial Education and Research (CJER). The proposed plan, developed for implementation within the total funding allocation provided to the Trial Court Budget Advisory Committee (TCBAC) in November 2013 and approved by the TCBAC subsequent to the April 2014 Council meeting, was approved by the Council with the understanding that if the CJER FY 2014–2015 IMF allocations were subsequently reduced by the TCBAC, the plan would require subsequent reprioritization. The proposed CJER FY 2014–2015 IMF allocations were not subsequently reduced by the TCBAC.

In order to implement the newly approved Education Plan, the line item allocations for 11 education programs need to be adjusted from those of the tentative allocations provided to the TCBAC in November of 2013 (before completion of the planning and prioritization work of the CJER Curriculum Committees and Governing Committee).

**Background**

At its April 25, 2014 meeting, the Council approved the total FY 2014–2015 IMF allocations to all programs and projects totaling \$78.4 million (please refer to Attachment 5B, row 81, column B), which include CJER's allocations by program totaling \$1.414 million (please refer to the Attachment 5B, row 31, column B). The April 2014 Council–approved allocations for each education program were based on the cost estimates that were provided to the TCBAC in early November 2013. The adjusted allocations to the education programs provide greater accuracy than what was available before the CJER Governing Committee, Curriculum Committees, and staff had completed their educational needs, program prioritization, cost and staffing analyses (please refer to the Attachment 5C, column B).

**Recommendation**

The net change to the Council approved allocations totaling \$1.414 million is zero. Details are as follows (please refer to the Attachment 5B, column C). The staff of the Judicial Council recommends that the TCBAC adopt the recommendation to approve the proposed adjustments to the IMF FY 2014–2015 allocations related to the 11 education programs. Specifically, eight need to be increased by \$68,000 and three need to be decreased by \$68,000 to reflect the specific required funding amounts for the programs. If the recommendation is adopted, it will be taken to the Council for consideration at its October 2014 meeting.

### Rationale for recommendation

The proposed adjustments do not change the total previously approved allocation of \$1.414 million, rather, they simply reflect the priorities established by the CJER Governing Committee that are necessary to carry out the Judicial Branch Education Plan in FY 2014–2015. The reasons for the specific line item adjustments are as follows:

1. The primary drivers for the following changes are the addition of a biannual course for judges experienced in a probate assignment and some additional programming in the area of evidence:
  - a) Advanced education for experienced judges – \$22,000
  - b) Primary assignment orientation and overviews – \$11,000
  - c) Judicial Institutes – \$9,000
  - d) Regional and local judicial education courses – (\$3,000)
  - e) B.E. Witkin Judicial College of California – (\$10,000)
2. The primary driver for the following change is the cost of delivering the Core 40 classes as statewide programs. Prior year experience demonstrated a need to more fully capture the number of lodging rooms required to enable access to these programs by participants from all trial courts:
  - a) Managers and Supervisors Training – \$12,000
3. The primary drivers for the following changes are the absence of the biannual Trial Court Judicial Attorneys Institute in FY 2014–2015 and an updated estimate of the cost to offer the Core Leadership and Training Skills class as a statewide program:
  - a) Regional and local court staff education courses – \$4,000
  - b) Court personnel institutes – (\$55,000)
4. The primary drivers for the following changes are the need for faculty training and expanded curriculum development in the area of Domestic Violence next fiscal year, and a more accurate estimate of the cost of the Basic Faculty Development Course:
  - a) Trial court faculty statewide education program – \$7,000
  - b) Faculty development – \$2,000
  - c) Curriculum committee for state education plan development – \$1,000

## Judicial Council Approved FY 2014-2015 IMF Allocations

	Project and Program Title	FY 2013-14 Judicial Council Approved Allocation <sup>1</sup>	FY 2014-15 Judicial Council Approved Allocation		
		A	Total	AOC Support	Local Assistance
			B = C + D	C	D
1	<b>Judicial and Court Operations Services Division</b>	<b>8,616,000</b>	<b>8,432,600</b>	-	<b>8,432,600</b>
2	Trial Court Security Grants	1,200,000	1,200,000	-	1,200,000
3	<b>Total, Office of Security</b>	<b>1,200,000</b>	<b>1,200,000</b>	-	<b>1,200,000</b>
4	Self-represented Litigants Statewide Support	100,000	100,000	-	100,000
5	Domestic Violence - Family Law Interpreter Program	20,000	20,000	-	20,000
6	Self-Help Center	5,000,000	5,000,000	-	5,000,000
7	Interactive Software - Self-Rep Electronic Forms	60,000	60,000	-	60,000
8	CFCC Educational Programs	90,000	90,000	-	90,000
9	CFCC Publications	20,000	20,000	-	20,000
10	<b>Total, Center for Families, Children and Courts</b>	<b>5,290,000</b>	<b>5,290,000</b>	-	<b>5,290,000</b>
11	Orientation for New Trial Court Judges	95,000	121,000	-	121,000
12	B.E. Witkin Judicial College of CA	160,000	180,000	-	180,000
13	Primary Assignment Orientation and Overviews	239,000	263,000	-	263,000
14	Leadership Training - Judicial	50,000	55,000	-	55,000
15	Judicial Institutes	110,000	150,000	-	150,000
16	Advanced Education for Experienced Judges	31,000	34,000	-	34,000
17	Regional and Local Judicial Education Courses	8,000	9,000	-	9,000
18	<i>Subtotal, Mandated, Essential &amp; Other Education for Judicial Officers</i>	<i>693,000</i>	<i>812,000</i>	-	<i>812,000</i>
19	Manager and Supervisor Training	31,000	34,000	-	34,000
20	<i>Subtotal, Essential/Other Education for CEOs, Managers and Supervisors</i>	<i>31,000</i>	<i>34,000</i>	-	<i>34,000</i>
21	Court Personnel Institutes	120,000	132,000	-	132,000
22	Regional and Local Court Staff Education Courses	10,000	11,000	-	11,000
23	<i>Subtotal, Essential and Other Education for Court Personnel</i>	<i>130,000</i>	<i>143,000</i>	-	<i>143,000</i>
24	Trial Court Faculty - Statewide Education Program	236,000	249,000	-	249,000
25	Faculty Development	25,000	28,000	-	28,000
26	Curriculum Committee - Statewide Education Plan Development	1,000	1,000	-	1,000
27	<i>Subtotal, Faculty and Curriculum Development</i>	<i>262,000</i>	<i>278,000</i>	-	<i>278,000</i>
28	Distance Education - Satellite Broadcast	137,000	137,000	-	137,000
29	Distance Education - Online Video, Resources, Webinar	10,000	10,000	-	10,000
30	<i>Subtotal, Distance Learning</i>	<i>147,000</i>	<i>147,000</i>	-	<i>147,000</i>
31	<b>Total, Office of Education / CJER</b>	<b>1,263,000</b>	<b>1,414,000</b>	-	<b>1,414,000</b>
32	Trial Court Performance Measures Study	13,000	13,000	-	13,000
33	Court Access and Education	331,000	347,600	-	347,600
34	Court Interpreter Program	140,000	168,000	-	168,000
35	2015 Language Needs Study (every 5-year)	314,000	-	-	-
36	California Language Access Plan (one-time funding in FY 2013-14)	65,000	-	-	-
37	<b>Total, Court Operations Special Services Office</b>	<b>863,000</b>	<b>528,600</b>	-	<b>528,600</b>
38	<b>Judicial Council and Court Leadership Services Division</b>	<b>12,251,200</b>	<b>12,299,700</b>	<b>2,120,000</b>	<b>10,179,700</b>
39	Litigation Management Program	4,500,000	4,500,000	-	4,500,000
40	Judicial Performance Defense Insurance	920,600	966,600	-	966,600
41	Subscription Costs - Judicial Conduct Reporter	15,600	17,100	-	17,100
42	Trial Courts Transactional Assistance Program	451,000	451,000	-	451,000
43	Jury System Improvement Projects	18,000	19,000	-	19,000
44	Alternative Dispute Resolution Centers	75,000	75,000	-	75,000
45	Complex Civil Litigation Program	4,001,000	4,001,000	-	4,001,000
46	Regional Office Assistance Group (Support)	1,460,000	1,460,000	1,460,000	-
47	<b>Total, Legal Services Office</b>	<b>11,441,200</b>	<b>11,489,700</b>	<b>1,460,000</b>	<b>10,029,700</b>
48	Audit Contract	150,000	150,000	-	150,000
49	Internal Audit Services (Support)	660,000	660,000	660,000	-
50	<b>Total, Internal Audit Services</b>	<b>810,000</b>	<b>810,000</b>	<b>660,000</b>	<b>150,000</b>
51	<b>Judicial and Court Administrative Services Division</b>	<b>61,250,180</b>	<b>57,639,900</b>	<b>12,407,800</b>	<b>45,232,100</b>
52	Contract for OPEB Valuation Report (every 2 years)	600,000	-	-	-
53	Budget Focused Training and Meetings	50,000	50,000	-	50,000
54	Treasury Services - Cash Management (Support)	238,000	238,000	238,000	-
55	Trial Court Procurement (Support)	244,000	244,000	244,000	-
56	Enhanced Collections (Support)	625,000	-	-	-
57	<b>Total, Fiscal Services Office</b>	<b>1,757,000</b>	<b>532,000</b>	<b>482,000</b>	<b>50,000</b>

## Judicial Council Approved FY 2014-2015 IMF Allocations

	Project and Program Title	FY 2013-14 Judicial Council Approved Allocation <sup>1</sup>	FY 2014-15 Judicial Council Approved Allocation		
			Total	AOC Support	Local Assistance
		A	B = C + D	C	D
58	Employee Assistance Program for Bench Officers	34,000	-	-	-
59	Workers Compensation Program Reserve <sup>1</sup>	719,800	1,231,000	-	1,231,000
60	Human Resources - Court Investigation	100,000	94,500	-	94,500
61	Trial Court Labor Relations Academies and Forums	30,000	34,700	-	34,700
62	<b>Total, Human Resources Services Office</b>	<b>883,800</b>	<b>1,360,200</b>	<b>-</b>	<b>1,360,200</b>
63	Telecommunications Support <sup>1</sup>	15,608,480	11,705,000	-	11,705,000
64	Judicial Branch Enterprise License and Policy	5,122,800	5,268,500	-	5,268,500
65	Interim Case Management Systems	1,650,600	1,246,800	-	1,246,800
66	Data Integration	3,906,900	3,903,600	577,100	3,326,500
67	California Courts Technology Center (CCTC)	9,465,100	10,487,200	1,892,200	8,595,000
68	Jury Management System	600,000	600,000	-	600,000
69	CLETS Services/Integration	515,200	433,400	114,000	319,400
70	CCPOR (ROM)	675,800	585,600	116,300	469,300
71	Testing Tools - Enterprise Test Management Suite	582,500	624,300	-	624,300
72	Uniform Civil Fees	385,000	343,000	343,000	-
73	Justice Partner Outreach / E-Services	572,000	200,700	200,700	-
74	Adobe LiveCycle Reader Service Extension (Starting from FY 2013-14)	129,800	133,700	-	133,700
75	V2 CMS (new - non-reimbursed costs from TCTF starting from FY 2014-15)	2,646,700	647,500	96,500	551,000
76	V3 CMS (new - non-reimbursed costs from TCTF starting from FY 2014-15)	4,789,200	5,658,100	1,276,000	4,382,100
77	<b>Total, Information Technology Services Office</b>	<b>46,650,080</b>	<b>41,837,400</b>	<b>4,615,800</b>	<b>37,221,600</b>
78	Phoenix Financial and Human Resources Services (Including Support)	11,934,300	13,885,300	7,310,000	6,575,300
79	Judicial Council's Court-Ordered Debt Task Force - New	25,000	25,000	-	25,000
80	<b>Total, Trial Court Administrative Services Office</b>	<b>11,959,300</b>	<b>13,910,300</b>	<b>7,310,000</b>	<b>6,600,300</b>
81	<b>Total Expenditure or Allocation</b>	<b>82,117,380</b>	<b>78,372,200</b>	<b>14,527,800</b>	<b>63,844,400</b>

**Note:**

1. A) The allocation amount includes two items that were approved by the JC after its initial approved allocations on 8/23/2013: a) new allocation of \$719,749 for Workers' Compensation Program Reserve; b) increase allocation of \$6,868,480 for Telecommunication Support. B) The total allocation (line #81) includes \$7,435,900 V2 and V3 CMS costs that are currently paid from TCTF. Without this amount, the IMF allocation is \$74,681,400.
2. The amount displayed in this column is based on the report from Oracle Financial that includes the expenditures, encumbrances, and purchase orders as of 3/31/2014.

**Proposed Adjustments to the IMF FY 2014-2015 Allocations for Education Programs**

	Project and Program Title	Judicial Council Approved Allocation (4/25/2014)	CJER Proposed Allocation (5/15/2014)	Proposed Transfer Amount (\$)
		A	B	C
1	Advanced Education for Experienced Judges	34,000	56,000	22,000
2	Manager and Supervisor Training	34,000	46,000	12,000
3	Primary Assignment Orientation and Overviews	263,000	274,000	11,000
4	Judicial Institutes	150,000	159,000	9,000
5	Trial Court Faculty - Statewide Education Program	249,000	256,000	7,000
6	Regional and Local Court Staff Education Courses	11,000	15,000	4,000
7	Faculty Development	28,000	30,000	2,000
8	Curriculum Committee - Statewide Education Plan Development	1,000	2,000	1,000
9	Regional and Local Judicial Education Courses	9,000	6,000	(3,000)
10	B.E. Witkin Judicial College of CA	180,000	170,000	(10,000)
11	Court Personnel Institutes	132,000	77,000	(55,000)
12	Orientation for New Trial Court Judges	121,000	121,000	-
13	Leadership Training - Judicial	55,000	55,000	-
14	Distance Education - Satellite Broadcast	137,000	137,000	-
15	Distance Education - Online Video, Resources, Webinar	10,000	10,000	-
16	<b>Total</b>	<b>1,414,000</b>	<b>1,414,000</b>	-

**Item 6**  
**Changes to the Supplemental Funding Process**  
**(Action Item)**

**Issue**

Should there be a process in place for court's to request supplemental funding due to unforeseen emergencies or unanticipated expenses after the remaining 2 percent state-level reserve funds in the Trial Court Trust Fund (TCTF) are distributed? Should Government Code section 68502.5, the statute that establishes the 2 percent reserve be repealed and the Judicial Council policy on court held minimum operating and emergency reserve be terminated? If so, should a policy be in place to deal with trial court funding emergencies?

**Background**

On June 27, 2012, the Governor signed into law Senate Bill 1021, which repealed the provisions in Government Code section 77209 related to urgent needs funding from the Trial Court Improvement Fund (TCIF) and added Government Code section 68502.5, 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. 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 supplemental funding from the reserve. This process modified what was approved by the council at its October 28, 2011 meeting as it related to requests for supplemental funding for urgent needs from the TCIF. (See Attachments 6B and 6C.)

At the June 3, 2014 Trial Court Budget Advisory Committee (TCBAC) meeting, Judge Earl appointed Michael Planet to head a 2 Percent Reserve Process Working Group with the goal of bringing options for possible changes back to the TCBAC. The other members of the working group are: Judge Earl, Presiding Judge Cope, Presiding Judge Goode, Mike Roddy, Sherri Carter, Mary Beth Todd, David Yamasaki, and Zlatko Theodorovic. The working group met once before the July 7 TCBAC meeting.

At its July 7 meeting, the TCBAC discussed options and recommendations brought forward by its' 2 Percent Reserve Process Working Group to change the current Judicial Council-approved process for the allocation of the 2 percent state-level reserve in the TCTF. The TCBAC also considered options on the minimum operating and emergency fund balance policy, which was suspended by the council for two years on August 31, 2012. At the council's business meeting on July 29, 2014, the committee recommended that the Judicial Council:

- In January, after the Judicial Council's December business meeting, distribute 100 percent of the remaining TCTF 2 percent reserve funds. Courts would have two

opportunities per fiscal year instead of four to request supplemental funding from the 2 percent reserve.

- 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.
- Terminate the minimum operating and emergency fund balance policy.

The first recommendation from the TCBAC, to distribute 100 percent of the remaining TCTF 2 percent reserve funds in January after the council's December business meeting, originated from its working group. Courts would have two opportunities per fiscal year instead of four to request supplemental funding from the 2 percent reserve. The Judicial Council's current approved process would need to be updated to reflect this recommended change. The second recommendation was from TCBAC which was for the Judicial Council to seek the repeal of Government Code section 68502.5(c)(2)(B), which requires that the council set aside as a reserve an amount equal to 2 percent of the TCTF appropriation. This recommendation by the committee 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.

The Judicial Council deferred the TCBAC recommendations presented on the changes to the process for the allocation of the 2 percent state-level reserve and the committee's recommendation that the Judicial Council terminate the minimum operating and emergency fund balance policy until their October meeting, and requested the TCBAC work with other advisory bodies, to provide further input to the council on the issues and recommendations presented in those items.

The 2 Percent Reserve Process Working Group met on August 26 and September 22 to consider options to address issues that were raised at the July 29 council meeting on the TCBAC recommendations. One being that if the council was to distribute 100 percent of the remaining TCTF 2 percent reserve funds in January there would be no funds available for trial courts to request emergency funding in the second half of the year (January–June). Additionally, a policy would be needed to deal with court funding emergencies, especially for smaller courts, prior to requesting the repeal of the statute and the Judicial Council policy on court held minimum operating and emergency reserve. Each option reviewed, along with a description of the option, is provided below.

## **1. Options for Supplemental Funding Process Changes in Current Year (2014–2015)**

Option 1A: Maintain the current policy, i.e., allocate remaining funds after March 15. Retain the Judicial Council-approved process for supplemental funding. Courts would have the opportunity to make requests for Judicial Council consideration at its October, December, January, and February business meetings.

Option 1B: In January, after the Judicial Council’s December business meeting, distribute 75 percent of the remaining TCTF 2 percent reserve funds. From January 1 through March 15, the remaining 25 percent of the 2 percent reserve would be available for court requests due to unforeseen emergencies or unanticipated expenses. Any remaining funds would be distributed back to the trial courts after March 15. The Judicial Council’s current approved supplemental funding process would need to be updated to reflect this change.

Option 1C: Approved court requests due to unforeseen emergencies or unanticipated expenses after March 15 until June 30, would be distributed to the court as a cash advance loan<sup>1</sup>, until the following fiscal year when the court if necessary could apply for supplemental funding from the TCTF 2 percent reserve at the Judicial Council’s October business meeting in order to repay the cash advance loan. These court requests would be reviewed and approved by a TCBAC working group.

## **2. Options for Supplemental Funding Process Changes in Budget Year (2015–2016)**

Option 2A: The TCBAC working with the Court Executive Advisory Committee, Trial Court Presiding Judges Advisory Committee and the Policy Coordination and Liaison Committee would recommend proposed amendments to Government Code section 68502.5(c)(2)(B) to be included as trailer bill language to the 2015 Budget Act. These recommended amendments would be presented at the Judicial Council’s business meeting in either January or February 2015.

Option 2B: Seek the repeal of Government Code section 68502.5 that establishes the 2 percent reserve and recommend a more appropriate percentage to be held in reserve at the state-level for urgent needs.

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<sup>1</sup> Funds made available by Government Code section 68502.6 which authorizes up-to-two-year loan to be made to the TCTF in order to address courts’ cash flow issues (see attachment 6D). On June 27, 2014, the Judicial Council approved an updated cash advance process that incorporates use of these funds.

### **3. Options for Minimum Operating and Emergency Reserve Policy**

Option 3A: Terminate the minimum operating and emergency fund balance policy.

Option 3B: Extend the suspension of the minimum operating and emergency fund balance policy for two fiscal years until June 30, 2016, and request that the minimum operating and emergency fund balance policy be in addition to the 1 percent reserve cap while in the interim seeking the repeal of Government Code section 77203.

#### **Recommendations**

The working group recommendations for supplemental funding process changes in the current year are Options 1B and 1C and 2A for the budget year. For the minimum operating and emergency fund balance policy, the group recommends extending the suspension for two years as reflected in Option 3B.

## Judicial Council-Approved Process for Supplemental Funding

Below is the process for supplemental funding that was approved by the Judicial Council at its August 31, 2012, meeting.

- a. Supplemental funding for urgent needs is defined as unavoidable funding shortfalls, unforeseen emergencies, or unanticipated expenses for existing programs.
  - i. A request can be for either a loan or one-time funding that is not repaid, but not for ongoing funding.
- b. The submission, review, and approval process is:
  - i. All requests will be submitted to the Judicial Council for consideration;
  - ii. Requests will be submitted to the Administrative Director of the Courts by either the court's presiding judge or court executive officer;
  - iii. The Administrative Director of the Courts will forward the request to the AOC Director of Finance [now Fiscal Services Office].
  - iv. AOC Finance Division [Fiscal Services Office] budget staff will review the request, ask the court to provide any missing or incomplete information, draft a preliminary report, share the preliminary report with the court for its comments, revise as necessary, and issue a final report for the council;
  - v. The final report will be provided to the requesting court prior to the report being made publicly available on the California Courts website; and
  - vi. The court may send a representative to the Judicial Council meeting to present its request and respond to questions from the council.
- c. Beginning in 2012–2013, court requests for supplemental funding for urgent needs due to unavoidable budget shortfalls, must be submitted to the Administrative Director of the Courts, by no later than October 1. Courts are encouraged to submit supplemental funding requests for urgent needs before the October 1 deadline, but no earlier than 60 days after the Budget Act is enacted into law.
- d. Beginning in 2012–2013, the Judicial Council shall allocate up to 75 percent of the 2 percent state-level reserve fund by October 31 of each year to courts requesting supplemental funding for urgent needs due to unavoidable funding shortfalls.
- e. Beginning in 2012–2013, after October 31 and by March 15 of each fiscal year, the Judicial Council shall allocate the remaining funds if there has been an approved request from a trial court(s) requesting supplemental funding for urgent needs due to unforeseen emergencies or unanticipated expenses for existing programs. Any unexpended funds shall be distributed to the trial courts on a prorated basis.

- f. To be considered at a scheduled Judicial Council business meeting, requests submitted after October 31 for supplemental funding due to unforeseen emergencies and unanticipated expenses must be submitted to the Administrative Director of the Courts at least 25 business days prior to that business meeting.
- g. The Judicial Council would consider appropriate terms and conditions that courts must accept in order to receive supplemental funding for urgent needs.

***Judicial Council-Approved Criteria for Eligibility for and Allocation of Supplemental Funding***

Below are the criteria for eligibility for and allocation of supplemental funding for trial courts' urgent needs that were approved by the Judicial Council at its August 31, 2012, meeting.

- a. Only trial courts that are projecting a current-year negative fund balance can apply for supplemental funding related to urgent needs.
- b. Generally, no court may receive supplemental funding for urgent needs in successive fiscal years absent a clear and convincing showing.
- c. Courts submitting on or before October 1 can only receive up to the amount the court contributed to the 2 percent state-level reserve fund. If the requested amount is beyond the court's contribution to the 2 percent state-level reserve fund, the Judicial Council may distribute more funding to the court, after October 31 and prior to March 15 of the fiscal year.

More specifically, courts that submit by October 1 a request for an unavoidable funding shortfall, may apply with updated financial information for unforeseen emergencies or unanticipated expenses for existing programs distribution at a future Judicial Council business meeting prior to March 15.

- d. Allocate to all courts after March 15 a proportionate share of any unexpended funds from the 2 percent state-level reserve, regardless of whether the Judicial Council has allocated to a court supplemental funding for an urgent need in the current fiscal year, using courts' current year Trial Court Trust Fund and General Fund base allocation.
- e. If a court that is allocated supplemental funding determines during the fiscal year that some or all of the allocation is no longer needed due to changes in revenues and/or expenditures, [it] is required to return the amount that is not needed.

***Judicial Council-Approved Information Required to be Provided by Trial Courts for Supplemental Funding***

Below is the information required to be provided by trial courts for supplemental funding for urgent needs that were approved by the Judicial Council at its August 31, 2012, meeting.

- a. A description of what factors caused or are causing the need for funding;
- b. If requesting a one-time distribution, an explanation of why a loan would not be appropriate;
- c. Current status of court fund balance;
- d. Three-year history of year-end fund balances, revenues, and expenditures;
- e. Current detailed budget projections for the current fiscal year (e.g., FY 2012–2013), budget year (e.g., FY 2013–2014), and budget year plus 1 (e.g., FY 2014–2015);
- f. Measures the court has taken in the last three years regarding revenue enhancement and/or expenditure reduction, including layoffs, furloughs, reduced hours, and court closures;
- g. Employee compensation practices (e.g., cost-of-living adjustments) and staffing levels in the past five years;
- h. Description of the consequences to the court’s operations if the court does not receive funding;
- i. Description of the consequences to the public and access to justice if the court does not receive funding;
- j. What measures the court will take to mitigate the consequences to court operations, the public, and access to justice if funding is not approved;
- k. Five years of filing and termination numbers;
- l. Most recent audit history and remediation measures;
- m. If supplemental funding was received in prior year, please identify amount received and explain why additional funding is again needed in the current fiscal year; and

- n. If the request for supplemental funding is not for a one-time concern, the court must include an expenditure/revenue enhancement plan that identifies how the court will resolve its ongoing funding issue.

**Government Code section 68502.5(c)(2)(B)**

(B) Upon preliminary determination of the allocations to trial courts pursuant to subparagraph (A), the Judicial Council shall set aside 2 percent of the total funds appropriated in Program 45.10 of Item 0250-101-0932 of the annual Budget Act and these funds shall remain in the Trial Court Trust Fund. These funds shall be administered by the Judicial Council and be allocated to trial courts for unforeseen emergencies, unanticipated expenses for existing programs, or unavoidable funding shortfalls. Unavoidable funding shortfall requests for up to 1.5 percent of these funds shall be submitted by the trial courts to the Judicial Council no later than October 1 of each year. The Judicial Council shall, by October 31 of each year, review and evaluate all requests submitted, select trial courts to receive funds, and notify those selected trial courts. By March 15 of each year, the Judicial Council shall distribute the remaining funds if there has been a request from a trial court for unforeseen emergencies or unanticipated expenses that has been reviewed, evaluated, and approved. Any unexpended funds shall be distributed to the trial courts on a prorated basis.

**Government Code section 68502.6.**

(a) If the cash balance of the Trial Court Trust Fund is insufficient to support trial court operations during the fiscal year, the Administrative Office of the Courts may transfer funds from any fund identified in subdivision (c) as a loan to the Trial Court Trust Fund. The total amount of outstanding loans shall not exceed one hundred fifty million dollars (\$150,000,000) at any time during the fiscal year. The Administrative Office of the Courts shall not authorize a loan pursuant to this section to provide cash resources to any court that has not first provided a balanced budget approved by the Judicial Council.

(b) The Administrative Office of the Courts may transfer funds from the Trial Court Trust Fund for the repayment of the loan described in subdivision (a). Interest shall not be charged or paid on any loan authorized pursuant to this section and all loans shall be repaid within two years from the date on which the loan originated. The authority to transfer funds provided by this section shall not interfere with the objectives for which the funds identified in subdivision (c) were created. This section shall not be construed to provide additional expenditure authority to the Trial Court Trust Fund.

(c) Moneys in the following funds shall be available for transfer to the Trial Court Trust Fund as a loan for cash flow purposes:

- (1) The State Court Facilities Construction Fund.
- (2) The Immediate and Critical Needs Account of the State Court Facilities Construction Fund.
- (3) The Judicial Branch Workers' Compensation Fund.

(d) For each loan executed pursuant to this section, the Administrative Office of the Courts shall, no later than August 30 of each year, report the following information to the Joint Legislative Budget Committee and the Department of Finance:

- (1) The date of the loan.
- (2) The amount loaned to each court.
- (3) The funding source of the loan.
- (4) The repayment date or proposed repayment date of the loan.

*(Added by Stats. 2013, Ch. 31, Sec. 5. Effective June 27, 2013.)*

**Item 7**  
**Court Security Survey**  
**(Action Item)**

**Issue**

What approach should be taken to request growth funding for those courts with court-provided security?

**Background**

When Criminal Justice Realignment occurred in 2011, funding for sheriff-provided security was transferred to the counties. As a result, in July of 2011 trial court base budgets were reduced, the total amount for sheriff-provided security, \$484.6 million, while a total of \$41.0 million remained in court base budgets for those with court-provided security costs (private security contracts, court attendants, marshals, and other costs such as alarm systems).

Currently, county-provided sheriff security receives growth funding from the Trial Court Security Growth Special Account, however, courts have not received any funding for increased costs for private security contracts since 2010-2011. Courts do, however, receive funding for benefit adjustments for marshal and court security staff through the benefit funding process.

In May 2014, Judge Earl appointed Shawn Landry to head a Security Growth Funding Working Group to determine a) whether the affected courts should receive growth funding and at what rate, and b) what is the best source(s) for any such funding. The other members of the working group are David Yamasaki, Mary Beth Todd, Kimberley Flener, Stephen Nash, and Judge Elizabeth Johnson.

The Security Growth Funding Working Group met on July 17th and on September 17th. The working group recommended that funding be requested for court-provided security by submission of a Budget Change Proposal (BCP) in the spring of 2015. In order to capture the information needed for a BCP it was decided a security survey would need to be developed (see attachment A). Once the survey data is collected and analyzed, the group would discuss how to best proceed to justify a BCP for growth funding. Each option reviewed by the working group, along with a description of the options, is provided below.

**Options**

Option1: Send the survey to the courts that have court-provided security and develop a costing justification and/or methodology based on the data received.

Option 2: Do not survey the courts and submit a February BCP requesting that courts receive the same growth rate for court-provided security that is received for county-provided sheriff security.

Option 3: Coordinate with the Trial Court Security Committee and the Office of Security to develop staffing standards prior to requesting growth funding.

**Recommendation**

The Trial Court Security Growth Working Group recommends Option 1. The working group made this recommendation because the survey would provide current data that would be used to evaluate and discuss the funding methodology used to request cost increases for court-provided security in support of a budget change proposal (e.g. actual costs, same growth factor percentage as county-provided security).

## Court-Provided Security Survey

Please indicate which are applicable to your court:

1. Private Security  Yes  No
  - a. What is the total contract rate paid by the court toward private security? \_\_\_\_\_ .
  - b. What areas does private security cover?
    - Perimeter
    - Courtroom
    - Other \_\_\_\_\_.
  - c. Are they employees?  Yes  No
  - d. If yes, what is paid for by the court:
    - Salary
    - Health
    - Retirement
  
2. Marshal Security
  - a. What is the total lump sum paid by the court toward Marshal security? \_\_\_\_\_ .
  - b. What areas does Marshal security cover?
    - Perimeter
    - Courtroom
    - Other \_\_\_\_\_.
  - c. Are they employees?  Yes  No
  - d. If yes, what is paid for by the court:
    - Salary
    - Health
    - Retirement
  
3. Court Attendants  Yes  No
  - a. What is the total lump sum paid by the court toward court attendants? \_\_\_\_\_ .
  - b. What areas do court attendants cover?
    - Perimeter
    - Courtroom
    - Other \_\_\_\_\_.
  - c. Are they employees?  Yes  No
  - d. If yes, what is paid for by the court:
    - Salary
    - Health
    - Retirement

4. If your court receives Program 45.10 funding for private security, security employees, or Marshal services – have there been any increases since FY 10/11?  Yes  No
- a. Personnel:  Yes  No
- b. If yes, what is the total increase to the personnel security budget \_\_\_\_\_.
- c. Other Security Expenses:  Yes  No
- d. If yes, what is the total increase to the other security expenses in the security budget \_\_\_\_\_.
5. As a result of no security funding since 2010, have you made any reductions to security provided?  Yes  No
- a. If yes, please describe what reductions in security services have been made?  
\_\_\_\_\_  
\_\_\_\_\_.
- b. Are the reductions:  Permanent  Temporary
- If temporary, what would trigger reversing the reductions?  
\_\_\_\_\_  
\_\_\_\_\_.
- Were any reductions a result of closing courtrooms or facilities?  
\_\_\_\_\_  
\_\_\_\_\_.
6. Have you received growth money from realignment?  Yes  No
7. If you have received growth funding from realignment, what portion and amount of security increases have come from that source?  
\_\_\_\_\_  
\_\_\_\_\_.
8. How much money would you need to maintain status quo security, as of realignment, as follows:
- a. FY 10/11 amount \$\_\_\_\_\_ percent increase for FY 10/11 \_\_\_\_\_
- b. FY 11/12 amount \$\_\_\_\_\_ percent increase for FY 11/12 \_\_\_\_\_
- c. FY 12/13 amount \$\_\_\_\_\_ percent increase for FY 12/13 \_\_\_\_\_
- d. FY 13/14 amount \$\_\_\_\_\_ percent increase for FY 13/14 \_\_\_\_\_
- e. FY 14/15 amount \$\_\_\_\_\_ percent increase for FY 14/15 \_\_\_\_\_

9. Are you able to transition to Sheriff provided security for all your security functions?

- Yes       No

If yes, please estimate the costs of that transition \_\_\_\_\_.

If not, please explain\_\_\_\_\_

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**Item D**  
**Preliminary FY 2013–2014 Reimbursement from the Trial Court Trust Fund (TCTF)**  
**Program 45.45 (Court Interpreter) Appropriation**  
**(Information Only)**

**Issue**

The annual Budget Act provides funding for reimbursement of trial courts for eligible court interpreter expenditures. Funding is distributed to the courts each month based on estimated staff interpreter expenditures and actual costs for contract interpreters. After the end of the fiscal year, Judicial Council Finance staff send a template to the courts requesting information on their eligible expenditures for purposes of determining the final eligible expenditures and the amount of adjustments necessary for each individual court based on those eligible expenditures. This item provides an update on the final reimbursement of these expenditures for 2013–2014.

**Background**

In January 2014, the Judicial Council, beginning in 2013–2014, expanded the allowable use of Program 45.45 appropriation and accumulated savings from that appropriation since 2009–2010, for costs related to court interpreters for all appearances in domestic violence cases, family law cases in which there is a domestic violence issue, and elder or dependent adult abuse cases. These costs had previously been reimbursed from the TCTF, up to a limit of \$1.73 million, through a grant process managed by the council’s Center for Families, Children and the Courts. In addition, the council approved the use of Program 45.45 funds to reimburse courts for expenditures on court interpreters for indigent parties in civil cases.

At the same meeting, the Judicial Council directed the Trial Court Budget Advisory Committee (TCBAC) to return to the council at its April 24, 2014 meeting with recommendations on the maximum amount each court will be eligible to receive in reimbursement from the unused savings, specifically with regard to the reimbursement of interpreters in civil cases with indigent parties, should there be insufficient funds available in the annual appropriation. The recommendations were to be developed in a manner that would result in complete exhaustion of the unused savings by the end of 2014–2015.

At the April 24, 2014 meeting, the Judicial Council approved the TCBAC recommendation that established an amount each interpreter region (rather than individual court) would be able to receive from the Program 45.45 savings which was an amount equal to the average percentage of Program 45.45 reimbursements all of the courts within each region received over the previous five years. The Superior Courts of Solano and Ventura Counties, which are not in interpreter regions, would be eligible for individual funds based on the same methodology.

**FY 2013–2014 Program 45.45 Funding, Accumulated Savings, and Estimated Expenditure**

The Budget Act of 2013 included an appropriation of \$92.794 million for Program 45.45 of which \$92.707 million was available for reimbursement to courts for eligible interpreter costs. In

addition, there was \$12.925 million in savings accumulated since 2009–2010, for a total of \$105.632 million.

The 2013–2014 Court Interpreter Year-End Funding Adjustment Templates were sent out to all trial courts a month ago. Each template displayed the following information for a specific court: the court interpreter expenditures reported in Phoenix by general ledger number, the distribution the court had already received for interpreter costs in 2013–2014, and any adjustment resulting, e.g., an over or under allocation. Courts were asked to review the template and then to provide the actual non-reimbursed eligible expenditures for mandated cases and their best estimate of the interpreter costs, if any, it incurred for the newly Judicial Council-approved reimbursable cases.

As of September 24, 57 completed templates had been submitted. These templates certify eligible interpreter costs of \$92.835 million. There are still a few courts that staff are following up with, so these numbers could still change. In order to provide an estimate of the total costs for 2013–2014, assumptions need to be made regarding the missing template. This results in a total of \$92.844 million for all courts. (See table below) This level of expenditure would exhaust the annual appropriation amount by \$137,282, but would leave a substantial amount of the prior year program savings still available for use in 2014–2015—\$12.925 million - \$137,282 = \$12.788 million.

**Preliminary FY 2013-2014 Trial Court Trust Fund Program 45.45 Reimbursements**

	<b>2013-2014</b>
<b>2013 Budget Act</b>	92,794,000
Court Interpreter Data Collection System (CIDCS)	87,000
<b>Trial Court Reimbursement Amount for Eligible Interpreter Expenditures</b>	<b>92,707,000</b>
Court Interpreter Expenditures for Mandated Cases	90,401,736
Court Interpreter Expenditures for Domestic Violence Family Law Interpreter Program (DV FLIP)	2,356,387
Court Interpreter Expenditures for Indigent Parties in Civil Cases	86,159
<b>Preliminary Program 45.45 Trial Court Interpreter Expenditures</b>	<b>92,844,282</b>
Under/(Over) Budget Act Appropriation	(137,282)
Program 45.45 Prior Year Savings	12,924,795
<b>Program 45.45 Preliminary Savings Remaining</b>	<b>12,787,513</b>

As indicated in Attachment D2, the breakdown in expenditures between the case categories is: \$90.402 million for mandated cases; \$2.356 million for DV, family law with DV issues, and elder/dependent adult abuse cases; and \$86,159 for civil cases with indigent parties.

Please note that in 2014–2015, the available interpreter funding (not including the prior year savings) will grow by \$1.766 million to \$94.473 million as a result of funding included in the Budget Act of 2014 to address benefit cost changes for interpreters.

**Next Steps**

The following activities will take place with regard to court interpreters in the future:

- The two items below will be completed and courts informed within the next month:
  - Final court interpreter funding adjustments for 2013–2014.
  - Regional budgets for 2014–2015 will be established based on the process approved by the Judicial Council.
- A mid-year 2014–2015 court interpreter funding adjustment template will be developed and sent to the courts.
- The templates will be used to prepare a projection of expenditures for court interpreters in 2014–2015, which will be presented to the TCBAC and the Judicial Council.

## Preliminary FY 2013-2014 TCTF Program 45.45 Expenditures by Case Type

Court	Mandated	DV, Family Law with DV, Elder Abuse	Total Mandated and DV Related	Civil with Indigent Parties	Total
Alameda	3,937,617	37,090	3,974,707	-	3,974,707
Alpine	294	-	294	-	294
Amador	20,702	-	20,702	-	20,702
Butte	139,645	4,013	143,658	-	143,658
Calaveras	12,319	-	12,319	-	12,319
Colusa	93,303	-	93,303	-	93,303
Contra Costa <sup>1</sup>	1,739,237	89,057	1,828,294	-	1,828,294
Del Norte	32,085	-	32,085	-	32,085
El Dorado	152,366	5,606	157,972	-	157,972
Fresno	2,044,333	15,928	2,060,261	-	2,060,261
Glenn	52,805	-	52,805	-	52,805
Humboldt	73,870	5,378	79,248	456	79,704
Imperial	435,360	21,136	456,496	-	456,496
Inyo	35,853	14,863	50,716	-	50,716
Kern	2,158,350	28,316	2,186,666	-	2,186,666
Kings	275,652	-	275,652	-	275,652
Lake	71,494	-	71,494	-	71,494
Lassen	8,650	-	8,650	-	8,650
Los Angeles <sup>1</sup>	32,485,038	968,964	33,454,002	33,244	33,487,246
Madera	494,559	37,306	531,865	-	531,865
Marin	482,482	9,237	491,719	-	491,719
Mariposa	21,858	-	21,858	-	21,858
Mendocino	250,759	-	250,759	-	250,759
Merced <sup>1</sup>	797,133	4,511	801,644	-	801,644
Modoc	5,679	70	5,749	-	5,749
Mono	32,786	-	32,786	-	32,786
Monterey	868,044	24,207	892,251	-	892,251
Napa	478,147	12,995	491,142	-	491,142
Nevada	23,186	422	23,608	-	23,608
Orange	8,354,130	100,104	8,454,234	-	8,454,234
Placer	348,540	15,533	364,073	-	364,073
Plumas <sup>2</sup>	9,607	-	9,607	-	9,607
Riverside	3,130,684	211,220	3,341,904	-	3,341,904
Sacramento	3,335,063	85,846	3,420,909	-	3,420,909
San Benito	94,120	-	94,120	-	94,120
San Bernardino	4,211,371	172,531	4,383,902	-	4,383,902
San Diego	5,678,984	24,077	5,703,061	-	5,703,061
San Francisco <sup>1</sup>	2,298,348	51,287	2,349,635	-	2,349,635
San Joaquin	1,184,976	1,007	1,185,983	-	1,185,983
San Luis Obispo	417,712	-	417,712	-	417,712
San Mateo	1,602,627	13,423	1,616,050	-	1,616,050
Santa Barbara	1,287,804	14,120	1,301,924	-	1,301,924
Santa Clara <sup>1</sup>	3,815,267	207,057	4,022,324	-	4,022,324
Santa Cruz	834,582	-	834,582	-	834,582
Shasta	222,824	23,882	246,706	-	246,706
Sierra	731	2,190	2,921	-	2,921
Siskiyou	60,412	-	60,412	-	60,412
Solano	350,787	10,240	361,027	-	361,027
Sonoma	1,218,609	24,306	1,242,915	-	1,242,915
Stanislaus	655,275	36,084	691,359	-	691,359
Sutter	192,906	20,848	213,754	-	213,754
Tehama	258,574	-	258,574	-	258,574
Trinity	16,396	-	16,396	-	16,396
Tulare	1,393,031	37,069	1,430,100	50,750	1,480,850
Tuolumne	15,249	645	15,894	-	15,894
Ventura	1,608,898	22,078	1,630,976	-	1,630,976
Yolo	544,173	1,883	546,056	-	546,056
Yuba	36,450	1,858	38,308	1,709	40,017
<b>Total:</b>	<b>90,401,736</b>	<b>2,356,387</b>	<b>92,758,123</b>	<b>86,159</b>	<b>92,844,282</b>

<sup>1</sup> Staff is still following up with the court on certain aspects of their template.<sup>2</sup> Court did not submit template. Amounts are from Phoenix-financials for mandated contractor-related expenditures.

**From:** [Krekorian, Kenneth](#)  
**To:** [Earl, Laurie](#); [Zlatko.Theodrovic@jud.ca.gov](mailto:Zlatko.Theodrovic@jud.ca.gov)  
**Cc:** [TCBAC](#); [Nunn, Diane](#); [Child, Curtis](#); [Jahr, Steven](#); [mnash@lasuperiorcourt.org](mailto:mnash@lasuperiorcourt.org); [Dwesley@lasuperiorcourt.org](mailto:Dwesley@lasuperiorcourt.org); [ckuhl@lasuperiorcourt.org](mailto:ckuhl@lasuperiorcourt.org); [milevanas@lasuperiorcourt.org](mailto:milevanas@lasuperiorcourt.org); [Heimov, Leslie](#)  
**Subject:** Juvenile Dependency Representation Budgeting  
**Date:** Wednesday, September 24, 2014 2:17:13 PM

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Dear Judge Earl, Mr. Theodrovic and Members of the Trial Court Budget Advisory Committee

Thank you for the opportunity to provide information regarding juvenile dependency representation budgeting/reallocation of funding. The bottom line is that reallocation is necessary, not only for Los Angeles County, a DRAFT county, but for all counties that have historically been underfunded. We have only so many dollars to go around but they should be allocated fairly across the board.



# Children's Law Center of California

Excellence In Advocacy

September 24, 2014

Judge Laurie Earl  
Zlatko Theodorovic, Director, Finance Office  
c/o Judicial Council of California  
2860 Gateway Oaks Drive  
Sacramento, CA 95833

Dear Judge Earl, Mr. Theodorovic and Honorable Members of the Judicial Council Trial Court Budget Advisory Committee:

I am writing specifically in regard to Item 4 on the September 26, 2014 Agenda and more generally in regard to the current caseload crisis facing dependency appointed counsel and our vulnerable clients.

As to Item 4 - we request that you immediately take any and all steps necessary to ensure that all cost recovery monies are distributed to the neediest counties (appointed counsel within those counties) as reflected in attachment 4B of the meeting materials.

As to the more general issue of the extreme caseload inequities among and between dependency appointed counsel throughout the State, the information regarding disparate funding has been well documented for at least 7 years, and despite repeated requests by appointed counsel for some relief there has been minimal progress made. Over the past 3 years we have seen some counties (for example San Diego) report steady declines in their caseload while other counties (such as Los Angeles and Sacramento) have seen steady - and in some cases dramatic - increases in their caseloads with no change in funding either the counties where caseloads are shrinking or for those where the caseloads continue to grow.

It is important to note that court appointed dependency counsel have absolutely no ability to control our caseloads. Our contracts with the AOC require that we accept 100% of new appointments; these appointments are a function of how many petitions are filed by the Child Protective Services agency (CPS) (or in other words how many children are thought to be at risk of abuse or neglect). Once a case is filed by CPS, we must accept appointment. As a result CLC attorneys in L.A. represent an average of 300 children each and in Sacramento our attorneys represent an average of 200 children each.

CLC worked diligently, this past legislative session in hopes of securing additional general fund dollars for all dependency counsel statewide. We succeeded in the legislature, with both the Assembly and the Senate Budget Committees including in the

budget bill, allocations of \$11 million for 2014-15, \$22 million for 2015-16 and then \$33 million thereafter for Dependency Counsel. Unfortunately, the Governor did not support the allocation and no new dollars were allocated. We acknowledge that without new money the caseload crisis cannot be fully addressed. However, equitable redistribution of current available funds is an important first step that will make a marked difference for those of us who are struggling with crushing caseloads.

On behalf of the 30,000 children represented by CLC, we request you take action in the short term to reduce funding inequities for dependency appointed counsel. We stand ready to assist in any way possible, to work with you or Judicial Council staff to address these matters expeditiously.

Sincerely,

A handwritten signature in black ink that reads "Leslie Starr Heimov". The signature is written in a cursive, somewhat stylized font.

Leslie Starr Heimov  
Executive Director

cc: Judge Steven Jahr, Administrative Director Judicial Council  
Judge David S. Wesley, Presiding Judge of Los Angeles Superior Court  
Judge Carolyn B. Kuhl, Incoming Presiding Judge of Los Angeles Superior Court  
Judge Stacy Boulware Eurie, Presiding Judge of Sacramento Juvenile court  
Judge Michael Nash, Presiding Judge of Los Angeles Juvenile Court  
Judge Michael Levanas, Incoming Presiding Judge of Los Angeles Juvenile Court  
Sherri Carter, Chief Administrative Officer of Los Angeles Superior Court  
Curtis Child, Chief Operating Office, Judicial Council  
Diane Nunn, Director, The Center for Families, Children & the Courts