



JUDICIAL COUNCIL OF CALIFORNIA

TRIAL COURT BUDGET
ADVISORY COMMITTEE

TRIAL COURT BUDGET ADVISORY COMMITTEE

MATERIALS FOR JANUARY 17, 2018

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JUDICIAL COUNCIL OF CALIFORNIA

TRIAL COURT BUDGET
ADVISORY COMMITTEE

www.courts.ca.gov/tcbac.htm
tcbac@jud.ca.gov

TRIAL COURT BUDGET ADVISORY COMMITTEE OPEN MEETING AGENDA

Open to the Public (Cal. Rules of Court, rule 10.75(c)(1))
THIS MEETING IS BEING CONDUCTED BY ELECTRONIC MEANS
THIS MEETING IS BEING RECORDED

Date: January 17, 2018
Time: 12:00 p.m. – 1:30 p.m.
Public Call-in Number: 1-877-820-7831, Pass code: 1884843 (listen only)

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

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

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

Call to Order and Roll Call

Approval of Minutes

Approve minutes of the December 4, 2017, Trial Court Budget Advisory Committee meeting.

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

Written Comment

In accordance with California Rules of Court, rule 10.75(k)(1), written comments pertaining to any agenda item of a regularly noticed open meeting can be submitted up to one complete business day before the meeting. For this specific meeting, comments should be e-mailed to tcbac@jud.ca.gov or mailed or delivered to Judicial Council of California, 455 Golden Gate Avenue, San Francisco, CA 94102 attention: Ms. Brandy Sanborn. Only written comments received by 12:00 p.m. on January 16, 2018 will be provided to advisory body members prior to the start of the meeting.

III. DISCUSSION AND POSSIBLE ACTION ITEMS (ITEMS 1-2)

Item 1

Trial Court Trust Fund Funds Held on Behalf Policy (Action Required)

Consideration of proposed revisions to the *Judicial Council-Approved Process, Criteria, and Required Information for Trial Court Trust Fund Fund Balance Held on Behalf of the Trial Courts* as recommended by the Fiscal Planning Subcommittee.

Presenter(s)/Facilitator(s): Ms. Suzanne Blihovde, Senior Analyst, Judicial Council Budget Services

Item 2

Trial Court Budget Change Proposals for 2019-20 (Action Required)

Adoption of trial court funding priorities for 2019-20 budget change proposals.

Presenter(s)/Facilitator(s): Hon. Jonathan B. Conklin, Chair, Trial Court Budget Advisory Committee

IV. INFORMATION ONLY ITEMS (NO ACTION REQUIRED)

Info 1

Governor's Budget Proposal for 2018-19

Update on the Governor's budget proposal for 2018-19.

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

Info 2

2018 Trial Court Budget Advisory Committee Annual Agenda

Update on the agenda approved by the Executive and Planning Committee for 2018.

Presenter(s)/Facilitator(s): Hon. Jonathan B. Conklin, Chair, Trial Court Budget Advisory Committee

V. ADJOURNMENT

Adjourn



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TRIAL COURT BUDGET ADVISORY COMMITTEE

MINUTES OF OPEN MEETING

December 04, 2017

10:00 a.m. - 2:00 p.m.

JCC Sequoia Room, 455 Golden Gate Avenue, San Francisco CA, 94102

Advisory Body Members Present: Judges: Hon. Jonathan B. Conklin (Chair), Hon. Jeffrey B. Barton, Hon. Andrew S. Blum, Hon. Daniel J. Buckley, Hon. Mark Ashton Cope (phone), Hon. James E. Herman, Hon. Joyce D. Hinrichs, Hon. Patricia M. Lucas, Hon. Charles Margines, Hon. Paul M. Marigonda, and Hon. Brian L. McCabe (phone).

Executive Officers: Ms. Sherri R. Carter, Ms. Nancy Eberhardt, Mr. Chad Finke, Ms. Rebecca Fleming, Ms. Kimberly Flener, Mr. Kevin Harrigan, Mr. Jeffrey E. Lewis, Mr. Michael D. Planet, Mr. Michael M. Roddy, Ms. Linda Romero-Soles (phone), Mr. Brian Taylor, Ms. Tania Ugrin-Capobianco, and Mr. David Yamasaki.

Judicial Council staff advisory members: Mr. John Wordlaw and Mr. Zlatko Theodorovic.

Advisory Body Members Absent: Judges: Hon. Elizabeth W. Johnson

Judicial Council staff advisory members: Ms. Millicent Tidwell and Mr. Robert Oyung.

Others Present: Ms. Lucy Fogarty, Ms. Leah Rose-Goodwin, Ms. Brandy Sanborn, Ms. Kristin Greenaway, Ms. Suzanne Blihovde, and Mr. James Baird.

OPEN MEETING

Call to Order and Roll Call

The chair called the meeting to order at 10:02 a.m. and roll was called.

Approval of Minutes

The advisory body reviewed and approved the minutes of the June 8, 2017 Trial Court Budget Advisory Committee (TCBAC) meeting, and the June 29, 2017 and the October 12, 2017 Action by E-mail Between Meetings minutes in a vote as follows:

Yes: 18

No: 0

Absent: 1

Abstain: 6

DISCUSSION AND POSSIBLE ACTION ITEMS (ITEMS 1-3)

Item 1 – Historical Review of the Workload-based Allocation and Funding Methodology (WAFM) (Action Required)

Consideration of adoption of a report from the Funding Methodology Subcommittee (FMS) providing a historical review of WAFM since its implementation in 2013-14.

Presenter(s)/Facilitator(s): Hon. Jonathan B. Conklin, Co-Chair, Funding Methodology Subcommittee; Ms. Rebecca Fleming, Co-Chair, Funding Methodology Subcommittee; and Ms. Leah Rose-Goodwin, Manager, Judicial Council Budget Services

Action: The Trial Court Budget Advisory Committee voted to approve the Historical Review of Workload-based Allocation and Funding Model Report as presented.

Item 2 – WAFM 2018-19 and Beyond (Action Required)

Consideration of recommendations of the FMS regarding the structure of WAFM in 2018-19 and beyond.

Presenter(s)/Facilitator(s): Hon. Jonathan B. Conklin, Co-Chair, Funding Methodology Subcommittee; Ms. Rebecca Fleming, Co-Chair, Funding Methodology Subcommittee; and Ms. Lucy Fogarty, Deputy Director, Judicial Council Budget Services

Action: The Trial Court Budget Advisory Committee unanimously approved the following recommendations:

A. Determining Need	
	Reaffirm the workload model, the Resource Assessment Study, as the basis for establishing funding need for the trial courts.
	Report a workload need adjustment every fiscal year based on a three-year average of filings data, consistent with existing policy.
	Establish a new statewide average funding ratio based on the workload need adjustment and new funding, if applicable.
	Defer the review of the impact of civil assessments on the model to 2018-19.
	Retain all existing small court adjustments.
	Make no changes to the current policies regarding application of Bureau of Labor Statistics data, the Base Funding Floor, and the computation for benefits and retirement funding.

The Trial Court Budget Advisory Committee unanimously approved the following recommendations:

B. Building Trial Court Allocations	
1	Eliminate the historical base as established by the Judicial Council on April 26, 2013.
2	Define new money as any new ongoing allocation of general discretionary dollars to support cost of trial court workload, excluding funding for benefits and retirement increases.
3	Beginning in 2018-19 and annually thereafter, trial court beginning base allocations will be established using applicable prior year ending base allocations.

4	Retain the graduated funding floors until such time as cluster one courts reach 100% of funding need.
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The Trial Court Budget Advisory Committee voted to approve the following recommendation in a vote as follows (with a correction identified in (e) to change the “B3(a)” reference to “B5(a)”):

Yes: 23

No: 1

Absent: 1

No New Money	
5	<p>In fiscal years for which no new money is provided:</p> <ul style="list-style-type: none"> a. A band will be established that is 2% above and 2% below the statewide average. b. No allocation adjustment will occur for those courts within the band or cluster one courts. c. Funds will be reallocated from courts above the band to courts below the band every other fiscal year for which no new money is provided regardless of years of increase or decrease in between. The first year of no new money will provide time to adjust for a second year of no new money in which an allocation change will occur. d. Up to 1% of allocations for courts above the band will be reallocated to courts below the band to provide an increased allocation of up to 1% with the courts under the band being able to penetrate into the band if adequate funds are available. e. The size of the band identified in B3(a) will be subject to re-evaluation.

The Trial Court Budget Advisory Committee unanimously approved the following recommendations:

New Money	
6	<p>In fiscal years for which new money is provided:</p> <ul style="list-style-type: none"> a. Bring all cluster one courts up to at least 100% of funding need. b. Allocate up to 50% of remaining funding to courts under the statewide average based on WAFM. Allocated funds will bring courts up to but not over the statewide average. c. Allocate remaining funding to all courts based on WAFM. d. No court’s allocation can exceed 100% of its need unless it is the result of a funding floor calculation.
Trial Court Trust Fund Reduction & Non-Discretionary Funds	
7	An allocation reduction to the Trial Court Trust Fund will be considered and recommended in the fiscal year it occurred with special consideration for those courts below the statewide average funding ratio.
8	Ongoing and one-time funds designated for non-discretionary purposes will be addressed as needed.
C. Adjustments	
1	The committee reserves the right to return to the Judicial Council to propose changes to the model as needed.
2	Delegate authority to Judicial Council staff to make technical adjustments to the recommendations as necessary.

Item 3 – FMS Work Plan (Action Required)

Consideration of recommendations of the FMS regarding changes to the Work Plan related to WAFM.

Presenter(s)/Facilitator(s): Hon. Jonathan B. Conklin, Co-Chair, Funding Methodology Subcommittee; and Ms. Rebecca Fleming, Co-Chair, Funding Methodology Subcommittee

Action: The Trial Court Budget Advisory Committee unanimously approved the FMS proposed 2017–18 Work Plan for WAFM as presented.

A D J O U R N M E N T

There being no further business, the meeting was adjourned at 12:42 p.m.

Approved by the advisory body on enter date.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

(Agenda Item 1)

Title: Consideration of Proposed Revisions to the Trial Court Trust Fund Funds Held on Behalf Policy

Date: 1/9/2018

Contact: Suzanne Blihovde, Senior Budget Analyst, Judicial Council Budget Services
916-263-1754 | suzanne.blihovde@jud.ca.gov

Issue

Consideration of the recommendation from the Fiscal Planning Subcommittee (FPS) that the Trial Court Budget Advisory Committee (TCBAC) recommend that the Judicial Council approve revisions to the *Judicial–Council Approved Process, Criteria, and Required Information for Trial Court Trust Fund Fund Balance Held on Behalf of the Trial Courts* (Attachment A).

Background

On April 15, 2016, the Judicial Council approved the TCBAC-recommended process, criteria, and required information for trial courts to request TCTF reduced allocations, related to the 1% fund balance cap, be retained in the TCTF as restricted fund balance for the benefit of those courts (see Attachment A).

Categories or activities for which funds can be requested to be held include, but are not limited to:

- Projects that extend beyond the original planned three-year process such as delayed deployment of information systems;
- Technology improvements or infrastructure such as a new case management system;
- Facilities maintenance or repair allowed under rule 10.810 of the California Rule of Court;
- Court efficiencies such as online and smart forms for court users; and
- Other court infrastructure projects such as vehicle replacement or copy machine replacement.

At its meeting on March 30, 2017, the Fiscal Planning Subcommittee (FPS) discussed possible changes to the process, including streamlining the approval process for amended requests and making technical changes as needed for submitting the report. At its October 4, 2017 meeting, the FPS approved recommending proposed revisions to the procedure (Attachment B), summarized below:

1. **Process for submitting and reviewing amended requests:** Additional language has been proposed in section 5, which allows the FPS to approve amended requests, or refer the amended to the Judicial Council for its approval. Language has also been proposed

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

for the FPS to provide an informational report to the Judicial Council on the amended requests the subcommittee approves.

2. **Proposed technical changes:** The proposed technical changes include changing the recipient of the request from the Administrative Director of the Judicial Council to the Director of Budget Services. References to “Fiscal” staff have been replaced with “Budget Services” staff to reflect the current Judicial Council of California reporting unit. The proposed language also replaces references to the TCBAC working group with the FPS.

Recommendation

The FPS unanimously recommends that the TCBAC recommend the Judicial Council approve revisions 1 and 2 above to the *Judicial–Council Approved Process, Criteria, and Required Information for Trial Court Trust Fund Fund Balance Held on Behalf of the Trial Courts*.

Attachments

Attachment A: *Judicial–Council Approved Process, Criteria, and Required Information for Trial Court Trust Fund Fund Balance Held on Behalf of the Trial Courts*

Attachment B: Proposed revisions to *Judicial–Council Approved Process, Criteria, and Required Information for Trial Court Trust Fund Fund Balance Held on Behalf of the Trial Courts*

Judicial–Council Approved Process, Criteria, and Required Information for Trial Court Trust Fund Fund Balance Held on Behalf of the Courts

Process for Trial Court Trust Fund Fund Balance Held on Behalf of the Courts

1. Trial Court Trust Fund fund balance will be held on behalf of trial courts only for expenditures or projects that cannot be funded by a court’s annual budget or three-year encumbrance term and that require multiyear savings to implement.
 - a. Categories or activities include, but are not limited to:
 - i) Projects that extend beyond the original planned three-year term process such as expenses related to the delayed opening of new facilities or delayed deployment of new information systems;
 - ii) Technology improvements or infrastructure such as installing a local data center, data center equipment replacement, case management system deployment, converting to a VoIP telephone system, desktop computer replacement, and replacement of backup emergency power systems;
 - iii) Facilities maintenance and repair allowed under rule 10.810 of the California Rules of Court such as flooring replacement and renovation as well as professional facilities maintenance equipment;
 - iv) Court efficiencies projects such as online and smart forms for court users and RFID systems for tracking case files; and
 - v) Other court infrastructure projects such as vehicle replacement and copy machine replacement.
2. The submission, review, and approval process is as follows:
 - a. All requests will be submitted to the Judicial Council for consideration.
 - b. Requests will be submitted to the Administrative Director by the court’s presiding judge or court executive officer.
 - c. The Administrative Director will forward the request to the Judicial Council director of Finance.
 - d. Finance 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 the report to a formal review body consisting of members from the Trial Court Budget Advisory Committee (TCBAC); the TCBAC subgroup will meet to review the request, hear any presentation of the court representative, and ask questions of the representative if one participates on behalf of the court; and Finance office budget staff will issue a final report on behalf of the TCBAC subgroup for the council.
 - e. The final report to the TCBAC review subgroup and the Judicial Council will be provided to the requesting court before the report is made publicly available on the California Courts website.
 - f. The court may send a representative to the TCBAC review subgroup and Judicial Council meetings to present its request and respond to questions.

3. To be considered at a scheduled Judicial Council business meeting, requests must be submitted to the Administrative Director at least 40 business days (approximately eight weeks) before that business meeting.
4. The Judicial Council may consider including appropriate terms and conditions that courts must accept for the council to approve designating TCTF fund balance on the court's behalf.
 - a. Failure to comply with the terms and conditions would result in the immediate change in the designation of the related TCTF fund balance from restricted to unrestricted and no longer held on behalf of the court unless the council specifies an alternative action.
5. Approved requests that courts subsequently determine need to be revised to reflect a change (1) in the amounts by year to be distributed to the court for the planned annual expenditures and/or encumbrances, (2) in the total amount of the planned expenditures, or (3) of more than 10 percent of the total request among the categories of expense will need to be amended and resubmitted following the submission, review, and approval process discussed in 1–3 above.
 - a. Denied revised requests will result in the immediate change in the designation of the related TCTF fund balance from restricted to unrestricted and no longer held on behalf of the court unless the council specifies an alternative action.
6. Approved requests that courts subsequently determine have a change in purpose will need to be amended and resubmitted following the submission, review, and approval process discussed in 1–3 above, along with a request that the TCTF funds held on behalf of the court for the previously approved request continue to be held on behalf of the court for this new purpose.
 - a. Denied new requests tied to previously approved requests will result in the immediate change in the designation of the related TCTF fund balance from restricted to unrestricted and no longer held on behalf of the court unless the council specifies an alternative action.
7. On completion of the project or planned expenditure, courts are required to report to the Trial Court Budget Advisory Committee within 90 days on the project or planned expenditure and how the funds were expended.
8. As part of the courts' audits in the scope of the normal audit cycle, a review of any funds that were held on behalf of the courts will be made to confirm that they were used for their stated approved purpose.

Criteria for Eligibility for TCTF Fund Balance Held on Behalf of the Courts

TCTF fund balance will be held on behalf of the trial courts only for expenditures or projects that cannot be funded by the court's annual budget or three-year encumbrance term and that require multiyear savings to implement.

Information Required to Be Provided by Trial Courts for TCTF Fund Balance Held on Behalf of the Courts

Below is the information required to be provided by trial courts on the *Application for TCTF Funds Held on Behalf of the Court*:

SECTION I

General Information

- Superior court
- Date of submission
- Person authorizing the request
- Contact person and contact information
- Time period covered by the request (includes contribution and expenditure)
- Requested amount
- A description providing a brief summary of the request

SECTION II

Amended Request Changes

- Sections and answers amended
- A summary of changes to request

SECTION III

Trial Court Operations and Access to Justice

- An explanation as to why the request does not fit within the court's annual operational budget process and the three-year encumbrance term
- A description of how the request will enhance the efficiency and/or effectiveness of court operations, and/or increase the availability of court services and programs
- If a cost efficiency, cost comparison (*table template provided*)
- A description of the consequences to the court's operations if the court request is not approved
- A description of the consequences to the public and access to justice if the court request is not approved
- The alternatives that the court has identified if the request is not approved, and the reason why holding funding in the TCTF is the preferred alternative

SECTION IV

Financial Information

- Three-year history of year-end fund balances, revenues, and expenditures (*table template provided*)
- Current detailed budget projections for the fiscal years during which the trial court would either be contributing to the TCTF fund balance held on the court's behalf or receiving distributions from the TCTF fund balance held on the court's behalf (*table template provided*)

- Identification of all costs, by category and amount, needed to fully implement the project (*table template provided*)
- A specific funding and expenditure schedule identifying the amounts to be contributed and expended, by fiscal year (*table template provided*)

Judicial–Council Approved Process, Criteria, and Required Information for Trial Court Trust Fund Fund Balance Held on Behalf of the Courts

Process for Trial Court Trust Fund Fund Balance Held on Behalf of the Courts

1. Trial Court Trust Fund fund balance will be held on behalf of trial courts only for expenditures or projects that cannot be funded by a court’s annual budget or three-year encumbrance term and that require multiyear savings to implement.
 - a. Categories or activities include, but are not limited to:
 - i) Projects that extend beyond the original planned three-year term process such as expenses related to the delayed opening of new facilities or delayed deployment of new information systems;
 - ii) Technology improvements or infrastructure such as installing a local data center, data center equipment replacement, case management system deployment, converting to a VoIP telephone system, desktop computer replacement, and replacement of backup emergency power systems;
 - iii) Facilities maintenance and repair allowed under rule 10.810 of the California Rules of Court such as flooring replacement and renovation as well as professional facilities maintenance equipment;
 - iv) Court efficiencies projects such as online and smart forms for court users and RFID systems for tracking case files; and
 - v) Other court infrastructure projects such as vehicle replacement and copy machine replacement.

2. The submission, review, and approval process is as follows:
 - a. All *new* requests will be submitted to the Judicial Council for consideration.
 - b. Requests will be submitted to the ~~Administrative Director~~ *Director of Budget Services* by the court’s presiding judge or court executive officer.
 - c. The ~~Administrative Director~~ *Director of Budget Services* will forward ~~the~~ *a summary of all requests received to the Administrative Director. to the Judicial Council director of Finance.*
 - d. ~~Finance~~ *Budget Services* 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 the report to ~~a formal review body consisting of members from the Fiscal Planning Subcommittee (FPS) of the Trial Court Budget Advisory Committee (TCBAC); the TCBAC subgroup~~ *FPS* will meet to review the request, hear any presentation of the court representative, and ask questions of the representative if one participates on behalf of the court;
 - e. ~~and Finance office~~ *Budget Services* staff will issue a final report on behalf of the ~~TCBAC subgroup~~ *the FPS* for the council.
 - f. The final report to the ~~TCBAC review subgroup~~ *FPS* and the Judicial Council will be

provided to the requesting court before the report is made publicly available on the California Courts website.

g. The court may send a representative to the ~~TCBAC review subgroup~~ FPS and Judicial Council meetings to present its request and respond to questions.

3. To be considered at a scheduled Judicial Council business meeting, requests must be submitted to the ~~Administrative Director~~ *Director of Budget Services* at least 40 business days (approximately eight weeks) before that business meeting.
4. The Judicial Council may consider including appropriate terms and conditions that courts must accept for the council to approve designating TCTF fund balance on the court's behalf.
 - a. Failure to comply with the terms and conditions would result in the immediate change in the designation of the related TCTF fund balance from restricted to unrestricted and no longer held on behalf of the court unless the council specifies an alternative action.
5. Approved requests that courts subsequently determine need to be revised to reflect a change (1) in the amounts by year to be distributed to the court for the planned annual expenditures and/or encumbrances, (2) changes in the total amount of the planned expenditures, or (3) of more than 10 percent of the total request among the categories of expense will need to be amended and resubmitted following the submission, review, and approval process discussed in ~~1-3~~ *2b-2d* above.
 - a. Denied revised requests will result in the immediate change in the designation of the related TCTF fund balance from restricted to unrestricted and no longer held on behalf of the court unless the council specifies an alternative action.
 - b. *The FPS may choose to refer any amended request to the Judicial Council for its approval. If the FPS chooses to approve the amended request at its level, the FPS will provide the Judicial Council with an informational report on approved amended requests at the next business meeting.*
 - c. *Amended requests that make changes in the amounts by year to be distributed to the court for the planned annual expenditures and/or encumbrances will need to provide an annual report to the FPS on the use of the held funds.*
6. Approved requests that courts subsequently determine have a change in purpose will need to be amended and resubmitted following the submission, review, and approval process discussed in 1-3 above, along with a *separate* request that the TCTF funds held on behalf of the court for the previously approved request continue to be held on behalf of the court for this new purpose.
 - a. Denied new requests tied to previously approved requests will result in the immediate change in the designation of the related TCTF fund balance from restricted to unrestricted and no longer held on behalf of the court unless the council specifies an alternative action.
7. On completion of the project or planned expenditure, courts are required to report to the Trial Court Budget Advisory Committee within 90 days on the project or planned expenditure and how the

funds were expended.

8. As part of the courts' audits in the scope of the normal audit cycle, a review of any funds that were held on behalf of the courts will be made to confirm that they were used for their stated approved purpose.

Criteria for Eligibility for TCTF Fund Balance Held on Behalf of the Courts

TCTF fund balance will be held on behalf of the trial courts only for expenditures or projects that cannot be funded by the court's annual budget or three-year encumbrance term and that require multiyear savings to implement.

Information Required to Be Provided by Trial Courts for TCTF Fund Balance Held on Behalf of the Courts

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SECTION I

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- Superior court
- Date of submission
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- Contact person and contact information
- Time period covered by the request (includes contribution and expenditure)
- Requested amount
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SECTION II

Amended Request Changes

- Sections and answers amended
- A summary of changes to request

SECTION III

Trial Court Operations and Access to Justice

- An explanation as to why the request does not fit within the court's annual operational budget process and the three-year encumbrance term
- A description of how the request will enhance the efficiency and/or effectiveness of court operations, and/or increase the availability of court services and programs
- If a cost efficiency, cost comparison (*table template provided*)
- A description of the consequences to the court's operations if the court request is not approved

- A description of the consequences to the public and access to justice if the court request is not approved
- The alternatives that the court has identified if the request is not approved, and the reason why holding funding in the TCTF is the preferred alternative

SECTION IV

Financial Information

- Three-year history of year-end fund balances, revenues, and expenditures (*table template provided*)
- Current detailed budget projections for the fiscal years during which the trial court would either be contributing to the TCTF fund balance held on the court's behalf or receiving distributions from the TCTF fund balance held on the court's behalf (*table template provided*)
- Identification of all costs, by category and amount, needed to fully implement the project (*table template provided*)
- A specific funding and expenditure schedule identifying the amounts to be contributed and expended, by fiscal year (*table template provided*)

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

(Action Item)

Title: Prioritization of Trial Court Budget Change Proposal for 2019-20
Date: 1/11/2018
Contact: Brandy Sanborn, Manager, Budget Services
415-865-7195| brandy.sanborn@jud.ca.gov

Issue

Identification of the 2019-20 statewide budget change proposal priorities for the trial courts needed for conceptual consideration and approval by the Judicial Branch Budget Committee.

In order to generate a discussion of potential 2019-20 statewide budget change proposals (BCPs), the Trial Court Budget Advisory Committee (TCBAC) surveyed its members to solicit input regarding statewide budget needs and priorities. The members were asked to provide three BCP concepts in order of priority, and to provide any additional information for TCBAC consideration when reviewing the submissions. A total of 11 responses were submitted. The concepts suggested by three or more members are identified in Table 1, in alphabetical order, to allow the committee to select and prioritize.

The BCP concepts with two or less submissions are listed in Table 2, also in alphabetical order. Additional details and comments provided in the survey responses are included in Attachments C and D.

Table 1

#	BCP Concept (in alphabetical order)
1	Court Construction
2	Facility Maintenance / Modifications
3	Funding Augmentations to Revenues
4	Funding for Trial Court Operations
5	Judgeships
6	Technology

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 BUDGET SERVICES
 Report to the Trial Court Budget Advisory Committee

Table 2

#	BCP Concept (in alphabetical order)
1	Court Security
2	Funding for Cost of Living Adjustments
3	Statewide Programs and Services

The 2019-20 BCP concepts listed in Table 1 above were previously submitted as 2018-19 BCPs as follows:

1. **Court Construction.** This BCP proposed a General Fund augmentation of \$560.3 million for transfer to the Immediate and Critical Needs Account (ICNA). This request would return previously redirected funds (\$510.3 million) and eliminate the ongoing transfer of \$50 million from the ICNA to the Trial Court Trust Fund (TCTF) to support trial court operations, providing funds to support court construction projects and assist with the solvency of the ICNA.
2. **Facility Maintenance/Modifications.** This BCP proposed an estimated \$21 to \$28 million to support unfunded trial court facilities operations and maintenance costs and to refresh, maintain, and replace security equipment. This request would provide funding to support costs associated with maintaining newly constructed court facilities and transferred trial court facilities and maintenance and replacement of aging camera, access control, and duress alarm systems.
3. **Funding Augmentations to Revenues.** This BCP proposed \$147 million to transition the deposit of civil assessment revenue, including the \$48.3 million in Maintenance of Effort (MOE buyout) into the General Fund instead of the TCTF, to support the base court operations and provide a stable revenue source for the courts. *If selected as a BCP concept, Judicial Council staff would request clarification if the ask should include backfilling revenue, a buyout or swap of civil assessment and/or other revenues, or both.*
4. **Funding for Trial Court Operations.** This BCP proposed \$178 million to support trial court operations, which would allow the trial courts to hire additional staff to address backlogs, retain existing staff, and improve the public’s access to justice. Components of this request included partially backfilling the funding gap as identified by the Workload-based Allocation and Funding Methodology (WAFM) model; discretionary funding not allocated via WAFM for inflationary increases; trial court employee compensation/personal services increases; and addressing the structural imbalance in the TCTF.

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BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

5. **Judgeships.** This BCP proposed funding to support 10 of the 50 trial court judgeships authorized by the Legislature in 2007–08 (Assem. Bill 159; Stats. 2007, ch. 722). *If selected as a BCP concept, Judicial Council staff would request clarification if the ask should include funding for authorized judgeships, new judgeships, or both.*

6. **Technology.** Multiple BCPs proposed funding for the procurement and deployment of a modern case management system (CMS) for the next wave of courts in need of a replacement for their aging systems, upgrading the Phoenix system, digitizing paper and filmed case files, deploying California Courts Protective Order Registry, and single sign-on solution. *If selected as a BCP concept, Judicial Council staff would request clarification of what technology enhancements/projects the committee would like to include.*

Background

At its December 16, 2016 meeting, the Judicial Council approved a new process for budget change proposal preparation, approval, and submission to the Department of Finance (DOF) to include the Judicial Branch Budget Committee (JBBC) established in July 2016. The JBBC reviews and prioritizes BCPs prior to submission to the council for final prioritization and approval. At its July 28, 2017 meeting, authority was delegated to the Judicial Council Administrative Director to make technical changes to BCPs as necessary.

Previously, in order to generate a discussion of potential 2018-19 statewide BCPs, the TCBAC surveyed its members to solicit input regarding priorities for submission to the council for approval and prioritization for submission to the DOF. In addition to prioritizing concepts identified by the committee, the members also reviewed BCP concept submissions developed by other committees in which the TCBAC was identified as having purview and the opportunity to provide input for submission to the JBBC.

TCBAC met on February 9, 2017 and on May 23, 2017 to develop the following prioritized list of BCP concepts for recommendation to the JBBC:

1. Stabilization of Civil Assessment Revenue;
2. Court Appointed Counsel in Juvenile Dependency Proceedings;
3. Support for Trial Court Operations;
4. Mandated Proposition and Legislation Related Workload;
5. Funding for 10 of the 50 Judgeships Authorized by AB 159;
6. Trial Court Facilities Operations Costs;
7. Case Management System Replacement; and
8. Statewide Security Systems and Equipment – Maintenance and Replacement.

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The remaining BCP concepts presented were acknowledged and supported by TCBAC but without prioritization or inclusion with TCBAC's BCP concept submissions:

- a. Advancing the Implementation of the *Strategic Plan for Language Access in the California Courts*;
- b. Court Appointed Special Advocates (CASA) in Juvenile Dependency Court;
- c. Deploy a Single Sign-On Solution for the Judicial Branch;
- d. Deploy and Maintain California Courts Protective Order Registry (CCPOR) for the Superior Courts;
- e. Digitizing Paper and Filmed Case Files for the Superior Courts and Appellate Courts;
- f. Funding for Programs Supporting Trial Courts Statewide;
- g. Judicial Branch Litigation Management Program;
- h. Phoenix System Required Updates; and
- i. Self Represented Litigants Statewide E-Services Solution.

On July 28, 2017, the JBBC recommended and the Judicial Council approved the following branch BCP concepts and prioritization for submission to the DOF as follows:

1. *Support for Trial Court Operations*
2. *Stabilization of Civil Assessment Revenue*
3. Sustainability of the Immediate and Critical Needs Account
4. *Trial Court Facilities Operations Costs/Statewide Security System and Equipment – Maintenance and Replacement*
5. *Court-Appointed Dependency Counsel*
6. *New Judgeships (AB 159) and Appellate Court Justices*
7. *Sustain Justice Edition Case Management System Replacement*
8. Information Technology Projects
9. General Fund Support of Essential Statewide Programs and Services
10. Implementation of Language Access Plan
11. Supreme Court and Appellate Courts – California Court Appointed Counsel Projects
12. Appellate Court Facility Maintenance Program
13. Appellate Court Security
14. Self-Help Centers in Trial Courts
15. Self-Represented Litigants Statewide e-Services Solution
16. Court Appointed Special Advocate (CASA) in Juvenile Dependency Counsel
17. Single Sign-on Solution
18. Habeas Corpus Resource Center—Case Teams Staffing. Although the Judicial Council submits requests on behalf of the HCRC it was not prioritized, as the HCRC operates as an independent entity.
19. *Funding for New Mandates (Trial Court Workload)*. This request is a placeholder as a portion of the request has not gone into effect.

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The Budget Act of 2017 provides for the following:

- \$22 million ongoing for court-appointed dependency counsel;
- \$10 million for two years for equal access;
- \$5 million over two years for case management system replacement;
- \$1.2 million loan from the General Fund over two years for statewide electronic filing implementation;
- \$352,000 for language access;
- \$490,000 for interpreter services;
- \$55 million in General Fund support to address revenue shortfalls in the Trial Court Trust Fund due to lower filing fee and criminal assessment revenues;
- Reallocation of two vacant judgeships;
- Conversion of 16 subordinate judicial officer positions to judgeships;
- \$280,000 to counties for sheriff-provided court security for the reallocation of judgeships;
- \$4.9 million for trial court employee retirement and health benefit costs;
- \$23.9 million reappropriation for five court facility construction projects; and
- \$2.3 million for two new court facility construction projects.

The 2018 Governor's Budget proposal includes:

- \$47.8 million to be allocated via WAFM to trial courts that are below 76.9 percent of their overall need;
- \$75 million in discretionary funding to trial courts based on priorities set by the Judicial Council with suggested reference to recommendations made by the Commission on the Future of California's Court System and report on any anticipated outcomes;
- \$19.1 million to expand self-help services in trial courts;
- \$4 million for Language Access to expand interpreter services in civil matters;
- \$3.4 million for the Judicial Council to implement a civil traffic pilot;
- \$500,000 for the Court-Appointed Special Advocate Program;
- \$200,000 to expand the California Courts Protective Order Registry;
- \$34.1 million to backfill continued decline of fines and penalty revenues expected;
- \$25.9 million for trial court employee retirement and health benefit costs;
- \$32.2 million to complete the design of three courthouse projects; and
- Funding to restart the state's court construction program to complete 10 courthouses.

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Recommendation

It is recommended that BCP concept proposals and prioritization by the membership include consideration of the 2018 Governor's Budget Proposal.

It is also recommended that the membership first determine what it considers an appropriate number of BCP concepts to identify on behalf of the trial courts, and then select up to that predetermined amount for consideration by the JBBC (which may include submissions from one or both of the tables above and/or alternate submissions not included in this report).

Considering that the BCP concepts will come back to the TCBAC in the spring for prioritization along with other committee submissions that fall under TCBAC's purview, prioritization for this round of BCP identification is recommended but not required.

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Respondent	Priority #	BCP Concept / Comments
A	1	Funding for Trial Court Operations - To adequately fund trial courts based on need (as determined through WAFM) in order to provide equal access to justice to the public we serve.
	2	Funding for Court Construction - Restoration of funding taken from ICNA in order to move forward with the critically needed projects previously identified under SB1407.
	3	Funding for Technology - Ensuring adequate infrastructure for all courts to provide efficient, accessible access to electronic court records. Examples would be case management system replacements, scanners and document management systems.
B	1	General Trial Court Funding Increases - All trial courts have reduced services to mitigate the inadequacy of funding. Reductions in staff, and reductions in services to the public have reduced access. Base funding increases are needed to eliminate further reductions and expand where services have already been reduced.
	2	Funding for Cost of Living Adjustments - For over 10 years, the Judicial Branch has not received a single dollar to funding cost of living adjustments for employees. Modest increases have been paid by leaving positions vacant. We need to have modest increases funded similar to other Branches.
	3	Backfilling Revenue - Revenues have been identified as "State" monies and have been critical to fund operations and Maintenance of Effort agreements. Changes in the ability to collect court ordered debts have been stifled by statutory restrictions on license holds and have caused these vital revenues to be reduced significantly. As is the case with other revenue shortfalls, local revenues must be backfilled.
C	1	Courthouse construction funding - Several critical need courthouses are unfunded. This places the public and court staff at risk.
	2	Increased funding to cover the WAFM need gap - The branch is funded far below the identified need. The public endures delays and reduced services.
	3	Civil assessment swap for general court funding - Civil assessment revenues should be sent to the general state fund and replaced with stable additional trial court funding.
D	1	Trial Court Operations Funding - General operational cost and salary increases.
	2	Facility Maintenance/ Modifications - Adequate funding to maintain facilities and provide some improvements other than solely funding emergency requests.

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Respondent	Priority #	BCP Concept / Comments
	3	Technology Funding - Sufficient funding to allow courts to become paperless/electronic. Technology exists, need to ensure sufficient funding and staff resources for implementation.
E	1	Increase in discretionary funding
	2	Buyout of civil assessment
	3	Technology enhancements
F	1	Increase in TCTF to fund WAFM gap between current and workload-based need
	2	Funding to support previously approved but never funded additional judgeships
	3	Increased cost of operating new courthouses and increase in facility maintenance funding
G	1	Trial Court Trust Fund Discretionary Funding - Discretionary funding increase single most important priority branch wide.
	2	Civil Assessment Backfill - Many courts depend on assessment revenue for general operations. Changes in the law and practices of justice stakeholders reducing this revenue without offset.
	3	Technology - To date there has been minimal funding for technology from the State and courts self fund. This results in slow and piecemeal implementation. Service to the public would be greatly enhanced with electronic access and courts cannot self fund out of operations.
H	1	New, ongoing, discretionary funding to at least 80% of need for all courts
	2	Backfill \$48m gap caused by AB227
	3	New judgeships to courts where need is greatest with staff funding
I	1	Augment base funding for the trial courts sufficient to fully fund workload-based need
	2	Augment funding provided by DOF to county sheriff's offices such that all such offices are funded to provide the necessary level of court security, as required under Government Code section 69921.5 - The funding levels established for each county post-Realignment are not, in many instances, sufficient to provide the necessary level of court security. Those funding levels were set without regard to, among other things, number of judgeships, number of court locations, and volume of criminal cases. For further information, please see the public comment submitted to the Judicial

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Respondent	Priority #	BCP Concept / Comments
		Council by the Superior Court of Alameda County for the Council's November 17, 2017, meeting.
	3	Provide funding sufficient to enable all courts, regardless of CMS, to provide mandatory data reporting to state entities (e.g., DOJ, DMV) - The funding levels established for each county post-Realignment are not, in many instances, sufficient to provide the necessary level of court security. Those funding levels were set without regard to, among other things, number of judgeships, number of court locations, and volume of criminal cases. For further information, please see the public comment submitted to the Judicial Council by the Superior Court of Alameda County for the Council's November 17, 2017, meeting.
J	1	Trial Court Operations-Fund WAFM gap
	2	Court Construction and Maintenance
	3	Structural change to funding stream for CA Courts (General fund vs. fine and fee revenue)
K	1	Support for Trial Court Operations - Funding needs to be provided for Trial Court Operations so that the courts can restore services that have been reduced.
	2	General Fund Support of Statewide Programs and Services
	3	New Judgeships - New Judgeships are needed to assist the courts with their caseloads. Some facilities have vacant courtrooms due to lack of new judgeships which would provide better access to justice and assist citizens in those geographic areas from having to travel farther to other facilities in the county.

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Respondent	Additional Comments
B	I think it is critical to limit BCP's to fewer than 5. Greater numbers are reduce our ability to obtain support.
H	<p>Concept # 4 Address gap in funding since realignment for local security costs retained by courts (weapon's screening personnel and civil attendants remaining under court budget when Sheriff funding was split out).</p> <p>Concept #5 funding for employee salary increases and benefits.</p>



JUDICIAL COUNCIL OF CALIFORNIA

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MEMORANDUM

Date	Action Requested
January 10, 2018	For Your Information
To	Deadline
Judicial Officers, Court Administrators, and Employees of the California Judicial Branch	N/A
From	Contact
Martin Hoshino, Administrative Director Judicial Council	Zlatko Theodorovic, Budget Services Director 916-263-1397 phone zlatko.theodorovic@jud.ca.gov
Subject	
2018–19 Judicial Branch Budget	

The Governor’s proposed fiscal year (FY) 2018–19 budget released today provides \$4.2 billion for the judicial branch (\$3.8 billion in operating funds and \$375 million in construction). The proposed budget includes \$244.0 million in new General Fund monies. These additional funds would be used to address a variety of branch needs, including trial court workload and implementation of several recommendations made to the Chief Justice in the 2017 report of the Commission on the Future of California’s Court System.

The budget proposal for the branch includes \$1.9 billion in General Fund monies, representing 1.5 percent of all General Fund spending. The judicial branch represents 2 percent of total state funds of \$190.3 billion. Approximately 77 percent of the branch’s operational budget is allocated to the trial courts.

Governor’s Budget Summary

Governor Brown proposed a \$131.7 billion General Fund budget plan for FY 2018–19 that fills the state’s Rainy Day Fund to its constitutional target, fully implements the state’s K-12 school funding formula two years ahead of schedule, and provides \$4.6 billion for the first year of a 10-year transportation improvement plan. The Governor indicated that the state must continue to plan and save for the next recession. By the end of FY 2018–19, the expansion will have matched the longest in post-war history.

A link to the Governor’s Budget Summary with respect to the judicial branch budget is included with this memorandum.

A breakdown of the proposed FY 2018–2019 budget for all judicial branch entities is provided below:

Judicial Branch Entity	Proposed Total Funding Level (in millions)
Supreme Court	50.7
Courts of Appeal	242.7
Trial Courts	2,938.6
Judicial Council	152.9
Judicial Branch Facility Program	462.0
Habeas Corpus Resource Center	16.6
Subtotal, Operational Budget	\$3,863.5
Offset from Local Property Tax Revenue	-\$48.1
Adjusted Operational Budget	\$3,815.4
Less Non-State Funds ¹	-\$95.2
Adjusted Operational Budget, State Funds	\$3,720.1
New Court Construction Projects	\$375.1
Total Funding²	\$4,190.5

¹ Non-state funds include federal funds and reimbursements.

² Includes General Fund; special, bond, federal, and nongovernmental cost funds; and reimbursements.

Note: Some totals will not be exact due to rounding.

Specifics on the proposals that provide the foundation for budget discussions with the Legislature and the Administration over the next several months are outlined below.

Trial Courts

The Governor’s proposal includes \$225.7 million in new funding from the General Fund to support trial court operations and trial court programs, for a total of \$2.9 billion. Of this amount, \$2.2 billion is for operations. The breakdown is as follows:

Discretionary Funding for Trial Courts: \$75 million for allocation to trial courts statewide based on priorities set by the Judicial Council. While this funding is discretionary, the Administration anticipates the Judicial Council will rely on recommendations made by the Commission on the Future of California’s Court System and report on any anticipated outcomes resulting from this investment.

Trial Court Operations: \$47.8 million to be allocated to trial courts that are below 76.9 percent of their overall need according to the Workload-Based Allocation and Funding Methodology (WAFM). This augmentation is intended to equalize funding among courts by bringing all trial courts up to the statewide average funding level according to updated case weights.

Self-Help in Trial Courts: \$19.1 million from the General Fund to implement recommendations of the Chief Justice's Commission on the Future of California's Court System regarding self-represented litigants. Funds would be used to expand self-help services in trial courts to better prepare the increasing number of self-represented litigants, thereby reducing court workload by decreasing the amount of clerk time and continuances in these cases. This brings the total budget for self-help services to \$30.1 million.

With the proposed increases to court operations and self-help funding, and considering all revenues available to trial courts, the statewide average funding level would exceed 90 percent of the WAFM need.

Pilot Project for Online Traffic Adjudication: \$3.4 million from the General Fund to design, deploy, and maintain software to adjudicate traffic violations online in designated pilot courts consistent with the Chief Justice's direction on a recommendation of the Commission on the Future of California's Court System. This funding will be split between the trial courts and the Judicial Council: \$1.040 million for trial courts and \$2.360 million for consultant services and 7.0 staff support positions at the Judicial Council. All funding would be used solely to support the pilot project.

Revenue backfill: \$89 million in General Fund support to address anticipated revenue shortfalls in the Trial Court Trust Fund due to lower filing fee and criminal assessment revenues. We note that, at this time, there is no proposed change to address additional shortfalls occurring in the current fiscal year (FY 2017–18). Discussions with the Administration to address revenue shortfalls will continue as part of the spring budget process.

In addition, there are anticipated revenue declines in the State Trial Court Improvement and Modernization Fund, the State Court Facilities Construction Fund, and the Immediate and Critical Needs Account for court facilities. The impact of these revenue declines will need to be assessed as we evaluate proposed FY 2018–19 expenditures.

Language access: \$4.0 million (one-time) from the General Fund to continue the expansion of interpreter services for civil matters in all courts in line with the Judicial Council's *Strategic Plan for Language Access in the California Courts*.

Court Appointed Special Advocate Program (CASA): \$500,000 from the General Fund to support the CASA grant program. This program provides grants to trained volunteers assigned

by a juvenile court judge to youth in foster care. This funding would be used to leverage outside investments to directly serve approximately 2,200 additional foster youth.

California Courts Protective Order Registry (CCPOR): \$200,000 from the General Fund to support the expansion of the registry program to the remaining seven trial courts that do not currently utilize the registry. The registry serves as a central repository of restraining and protective orders, which safeguards victims of violence and law enforcement officers in the field. This funding will support 1.0 Judicial Council position to complete deployment of and provide ongoing support for the CCPOR program in all trial courts.

Judicial compensation adjustments: \$15.9 million for previously approved judicial officer salary and benefit cost increases. Judicial salaries are set by operation of statute (Gov. Code § 68200 et seq.), and increases are tied to state employee salaries. The increase reflects the average salary increase for the current fiscal year for California state employees as explained in Government Code section 68203(a).

Employee costs: \$25.8 million for trial court employee retirement and health benefit costs.

Extension of Sunset for Various Fees: Trailer bill language will be introduced to extend the sunset date of various fees that support trial court base allocations by five years. Currently due to expire June 30, 2018, these fees have generated revenue averaging \$36.6 million over the last six fiscal years. Absent this extension, there would be a reduced allocation to trial courts impacting court operations.

Judicial Entities at the State Level

The Governor's proposal includes \$18.3 million to fund the following for state level entities:

Employee costs: Additional General Fund monies to support retirement and health benefit cost adjustments for employees of the Supreme Court (\$1.8 million), Courts of Appeal (\$8.7 million), Judicial Council (\$5.4 million), and Habeas Corpus Resource Center (\$0.8 million).

Rent costs: \$1.0 million for rent increases in buildings occupied by the Supreme Court, Courts of Appeal, and the Habeas Corpus Resource Center.

Judicial Council Collective Bargaining (AB 83): \$610,000 in FY 2018–19, \$554,000 in FY 2019–20, and \$369,000 in FY 2020–21 from the General Fund for costs associated with increased workload as a result of the enactment of the Judicial Council Employer-Employee Relations Act.

Judicial Branch Construction Program

The Governor’s proposal for the Judicial Branch Construction program includes \$32.2 million from the Immediate and Critical Needs Account to complete the design of three courthouse projects in Riverside/Mid-County, Sonoma, and Stanislaus Counties. The proposal also commits to completing construction for the next ten courthouse projects ready to proceed to construction from lease revenue bonds in the next two years, namely, projects in Imperial, Riverside/Indio, Shasta, Siskiyou, and Tuolumne Counties in FY 2018–19 and projects in Glenn, Riverside/Mid-County, Sacramento, Sonoma, and Stanislaus Counties in FY 2019–20.

The FY 2018–19 Governor’s Budget includes funding for the following projects:

1	Imperial County: New El Centro Courthouse	\$41,944,000	Construction
2	Riverside County: New Indio Juvenile and Family Courthouse	\$45,327,000	Construction
3	Riverside County: New Mid-County Civil Courthouse	\$5,666,000	Working Drawings
4	Shasta County: New Redding Courthouse	\$138,763,000	Construction
5	Siskiyou County: New Yreka Courthouse	\$59,203,000	Construction
6	Stanislaus County: New Modesto Courthouse	\$15,252,000	Working Drawings
7	Sonoma County (Reappropriation): New Santa Rosa Criminal Courthouse	\$11,252,000	Working Drawings
8	Tuolumne County: New Sonora Courthouse	\$57,722,000	Construction
Total		\$375,129,000	

Significant State Budget Proposals

Rainy Day Fund: Proposition 2, approved by California voters in 2014, established a constitutional goal of reserving ten percent of tax revenues in a Rainy Day Fund. By the end of the current (2017–18) fiscal year, the Fund will have a total balance of \$8.4 billion, or 65 percent of the constitutional target. The budget proposes a \$3.5 billion supplemental payment in addition to the constitutionally required transfer to the Rainy Day Fund for FY 2018–19. The two payments would bring the total fund to \$13.5 billion.

K-12 Education: In 2013, the state enacted the K-12 Local Control Funding Formula to increase support for the neediest students and restore local district flexibility over how money is spent in schools. With \$3 billion in new proposed funding for the formula in FY 2018–19, the budget would achieve full implementation of the formula two years ahead of schedule.

Higher Education: The budget proposes the creation of the first wholly online community college in California to provide an affordable pathway to higher wages through credentials for those who do not currently access the California community college system. The budget also proposes a funding increase of four percent for community colleges, and increases state support for the University of California and the California State University by three percent. The budget reflects flat tuition.

Health Care: With uncertainty regarding funding at the federal level, the budget provides monies to increase health care coverage to low-income Californians under the federal Affordable Care Act.

Transportation Infrastructure: The budget reflects the first full year of funding under the Road Repair and Accountability Act of 2017 (Senate Bill 1), with \$4.6 billion in new funding for state and local transportation infrastructure.

Cap-and-Trade Program: In July 2017, the Governor signed legislation to extend California’s landmark cap-and-trade program through 2030 to reduce greenhouse gas emissions. \$1.25 billion in cap-and-trade funds will be available for appropriation in FY 2018–19.

Next Steps on Judicial Branch Budget

The Governor’s budget as proposed for the judicial branch will make possible continued progress in increasing access to justice for court users across California.

This proposal for the FY 2018–19 that begins on July 1, 2018, sets the stage for the next phase of the ongoing budget development cycle for the state. This will include further discussions with the Administration, legislative hearings, meetings with legislators and their staff, updated state revenue numbers in April, a May Revision to the Governor’s proposed budget, and then an intensive period of legislative activity to pass a balanced budget by the June 15 constitutional deadline.

As part of the Governor’s Budget Summary statement, the Administration indicates the following with respect to next steps in the spring budget process:

“...while the Budget focuses resources on the trial courts and begins to address some of the recommendations made by the Commission [on the Future of California’s Court

System], the Administration will continue working with the Judicial Council on other recommendations that may improve and modernize services provided by the Judicial Council and operations of the appellate and Supreme courts, such as the creation of a Center for Self-Help Resources to assist trial courts in their role as self-help providers, and case and document management systems to support digital technology in all courts.”

Over the next several months, the Chief Justice and the Judicial Council, with the support of trial and appellate court leaders, the bar, and other justice system stakeholders, will continue to advocate with the Governor and the Legislature on judicial branch policy and funding issues critical to maintaining court services for the public and advancing solutions to improve the delivery of equal and timely access to justice for all Californians.

The Governor’s proposed FY 2018–19 budget may be reviewed at: www.ebudget.ca.gov.

Trial Court Budget Advisory Committee

Annual Agenda¹—2018

Approved by Executive and Planning Committee: 12/14/2017

I. COMMITTEE INFORMATION

Chair:	Hon. Jonathan B. Conklin, Superior Court of Fresno County
Lead Staff:	Ms. Brandy Sanborn, Budget Manager, Judicial Council Budget Services
Committee's Charge/Membership: <p>Rule 10.64(a) of the California Rules of Court states the charge of the Trial Court Budget Advisory Committee, which is to make recommendations to the council on the preparation, development, and implementation of the budget for trial courts and provides input to the council on policy issues affecting trial court funding. Rule 10.64(b) sets forth additional duties of the committee.</p> <p>Rule 10.64(c) sets forth the membership position categories of the committee.* The Trial Court Budget Advisory Committee currently has 26 members.** The current committee roster is available on the committee's web page.</p> <p><i>*Lead staff and Judicial Council Budget Services leadership would like to propose a change to California Rules of Court, rule 10.64(c)(1) to define "presiding judge" as a current presiding judge or a past presiding judge within the last 10 years (i.e., not "an immediate past presiding judge") for new appointments. Existing members are eligible to be reappointed regardless of the time since they were a presiding judge or past presiding judge. This proposal will be presented to Rules and Projects Committee for consideration.</i></p> <p><i>**The chair, lead staff, and Judicial Council Budget Services leadership would like to propose decreasing the membership size from 26 to 24 and will present this discussion during the 2018 nominations cycle.</i></p>	

¹ The annual agenda outlines the work a committee will focus on in the coming year and identifies areas of collaboration with other advisory bodies and the Judicial Council staff resources.

Subcommittees/Working Groups²:

1. AB 1058 Funding Allocation Joint Subcommittee (with the Family and Juvenile Law Advisory Committee, the Workload Assessment Advisory Committee, and the Department of Child Support Services)
2. Juvenile Dependency: Court-Appointed-Counsel Funding Allocation Methodology Joint Subcommittee (with the Family and Juvenile Law Advisory Committee)
3. Fiscal Planning Subcommittee
4. Revenue and Expenditure Subcommittee
5. Funding Methodology Subcommittee (*Amend*) – *Current charge is to continue to focus on the ongoing review and refinement of the Workload-based Allocation and Funding Methodology approved by the council in April 2013. Propose to amend charge to include the subcommittee adopt the charge of the Interpreter Funding Working Group (below), and consider funding allocation methodologies for other non-discretionary dollars as necessary.*
6. Criminal Justice Realignment Subcommittee (*Dissolve*) – *Current charge is to focus on a funding methodology and allocations relating to criminal justice realignment, specifically Proposition 47 workload. Considering no new money in the 2017-18 Governor’s Budget, May Revise, or Budget Act, this subcommittee did not convene for all of the 2017 calendar year. Propose to dissolve this subcommittee and shift responsibility of the charge to the Funding Methodology Subcommittee to review the allocation methodology as needed.*
7. Interpreter Funding Working Group (*Dissolve*) – *Current charge is to focus on developing a methodology for allocations from the Trial Court Trust Fund Court Interpreter Program (0150037) in the event of a funding shortfall, and review existing methodologies. Propose to dissolve this working group and shift responsibility of the charge to the Funding Methodology Subcommittee.*

² California Rules of Court, rule 10.30 (c) allows an advisory body to form subgroups, composed entirely of current members of the advisory body, to carry out the body's duties, subject to available resources, with the approval of its oversight committee.

II. COMMITTEE PROJECTS

#	New or One-Time Projects ³	
1.	Project Title Not applicable.	Priority #⁴
	Project Summary⁵: Status/Timeline: Fiscal Impact/Resources: Internal/External Stakeholders: AC Collaboration:	

³ All proposed projects for the year must be included on the Annual Agenda. If a project implements policy or is a program, identify it as *implementation* or a *program* in the project description and attach the Judicial Council authorization/assignment or prior approved Annual Agenda to this Annual Agenda.

⁴ For non-rules and forms projects, select priority level 1 (must be done) or 2 (should be done). For rules and forms proposals, select one of the following priority levels: 1(a) Urgently needed to conform to the law; 1(b) Urgently needed to respond to a recent change in the law; 1(c) Adoption or amendment of rules or forms by a specified date required by statute or council decision; 1(d) Provides significant cost savings and efficiencies, generates significant revenue, or avoids a significant loss of revenue; 1(e) Urgently needed to remedy a problem that is causing significant cost or inconvenience to the courts or the public; 1(f) Otherwise urgent and necessary, such as a proposal that would mitigate exposure to immediate or severe financial or legal risk; 2(a) Useful, but not necessary, to implement statutory changes; 2(b) Helpful in otherwise advancing Judicial Council goals and objectives.

⁵ A key objective is a strategic aim, purpose, or “end of action” to be achieved for the coming year.

#	Ongoing Projects and Activities ³	
1.	<i>State Trial Court Improvement and Modernization Fund (IMF) and Trial Court Trust Fund (TCTF) Allocations</i>	<i>Priority 1⁴</i>
<p><i>Project Summary:</i> Part of the charge of the committee pursuant to rule 10.64. The project originated as a result of structural shortfalls identified in the IMF and TCTF. The Trial Court Budget and Advisory Committee Revenue and Expenditure Subcommittee will review 2018-19 allocations from the IMF and TCTF to ensure consistency with Judicial Council goals and objectives and propose solutions to address any structural shortfall in either fund. The expected outcome is to assist the council in ensuring solvency of the IMF and TCTF.</p> <p><i>Status/Timeline:</i> Ongoing (allocations for 2018–19 will be approved by July 2018)</p> <p><i>Fiscal Impact/Resources:</i> Budget Services staff as well as multiple other Judicial Council office staff that have programs funded from the IMF and/or TCTF.</p> <p><i>Internal/External Stakeholders:</i> Various Judicial Council offices with programs funded from the IMF and/or TCTF, and external stakeholders include trial courts and service providers.</p> <p><i>AC Collaboration:</i> In addition, various advisory bodies that have programs in these funds provide recommendations regarding funding and program priorities.</p>		
2.	<i>Workload-based Allocation and Funding Methodology (WAFM)</i>	<i>Priority 2⁴</i>
<p><i>Project Summary:</i> Part of the charge of the committee pursuant to rule 10.64. In April 2013, the Judicial Council approved the WAFM for use in allocating the annual state trial court operations funds with the understanding that ongoing technical adjustments will continue to be evaluated and submitted to the Judicial Council for approval. The current phase of the project in making allocation recommendations for year 6 (2018–19) and beyond of WAFM is part of the Funding Methodology Subcommittee’s annual work plan approved on June 8, 2017, with a goal of making recommendations to the Judicial Council in January 2018. Amendments to the annual work plan going into 2019–20 were presented to the Trial Court Budget Advisory Committee on December 4, 2017 and approved. Expected outcome is an improvement to the WAFM to more accurately capture WAFM-related funding needs of the trial courts.</p> <p><i>Status/Timeline:</i> Ongoing</p> <p><i>Fiscal Impact/Resources:</i> Budget Services staff including Budget Management and Court Research.</p> <p><i>Internal/External Stakeholders:</i> External stakeholders include trial courts.</p>		

#	Ongoing Projects and Activities³	
	<i>AC Collaboration:</i> The Workload Assessment Advisory Committee oversees the Resource Assessment Study model which feeds into WAFM.	
3.	<i>Proposition 47 Funding</i>	<i>Priority 2⁴</i>
	<p><i>Project Summary:</i> Part of the charge of the committee pursuant to rule 10.64. Proposition 47 became effective on November 5, 2014. The Budget Act of 2015 included \$26.9 million from the General Fund to address increased trial court workload associated with Proposition 47. The Budget Act of 2016 included \$21.4 million, and no money was provided in the Budget Act of 2017. The expected outcome is to appropriately allocate funds based on workload; however, there is a recommendation included that the Funding Methodology Subcommittee obtain responsibility for the continued review and refinement of the allocation methodology based on updated statistical data and provision of additional funding in future fiscal years.</p> <p><i>Status/Timeline:</i> Ongoing</p> <p><i>Fiscal Impact/Resources:</i> Budget Services staff including Budget Management and Court Research, and Criminal Justice Services staff.</p> <p><i>Internal/External Stakeholders:</i> Internal stakeholders include Criminal Justice Services and external stakeholders include trial courts.</p> <p><i>AC Collaboration:</i> None.</p>	
4.	<i>Court-Appointed Dependency Counsel Funding</i>	<i>Priority 2⁴</i>
	<p><i>Project Summary:</i> Part of the charge of the committee pursuant to rule 10.64. The project originated from a Judicial Council meeting in April 2015 as a recommendation from the Family and Juvenile Law Advisory Committee, and evolved in May 2017 as a result of a fiscal year 2017–18 and 2018–19 recommendation to the council by the Small Court Dependency Workload Working Group (established in October 2016) with input from the Trial Court Budget Advisory Committee. Members of the Trial Court Budget Advisory Committee, in collaboration with members of the Family and Juvenile Law Advisory Committee, make up the Juvenile Dependency: Court-Appointed-Counsel Funding Allocation Methodology Joint Subcommittee, which is charged with reviewing the workload model for court-appointed dependency counsel. The expected outcome is to appropriately allocate funds based on workload with consideration for smaller courts.</p> <p><i>Status/Timeline:</i> Targeted completion date of December 2018 for 2019–20 implementation.</p>	

#	Ongoing Projects and Activities³	
	<p>Fiscal Impact/Resources: Budget Services and Center for Families, Children & the Courts staff.</p> <p>Internal/External Stakeholders: Internal stakeholders include Center for Families, Children & the Courts, and external stakeholders include trial courts and service providers.</p> <p>AC Collaboration: Family and Juvenile Law Advisory Committee.</p>	
5.	Child Support Commissioner and Family Law Facilitator (AB 1058) Funding	Priority 2⁴
6.	Interpreter Funding Methodology	Priority 2⁴
	<p>Project Summary: Part of the charge of the committee pursuant to rule 10.64. The project originated from a Judicial Council meeting in April 2015 as a recommendation from the Family and Juvenile Law Advisory Committee, with an original targeted completion date of December 2017 for 2018–19 implementation (which has since been pushed out another year to 2019–20 implementation). In collaboration with the Family and Juvenile Law Advisory Committee, the Workload Assessment Advisory Committee, and representatives from the California Department of Child Support Services (DCSS), the AB 1058 Funding Allocation Joint Subcommittee will work on the development of a workload-based funding methodology for the AB 1058 program originally developed in 1997. The expected outcome is to appropriately allocate funds based on workload per a Judicial Council December 2016 report.</p> <p>Status/Timeline: Targeted completion date of December 2018 for 2019–20 implementation.</p> <p>Fiscal Impact/Resources: Budget Services and Center for Families, Children & the Courts staff.</p> <p>Internal/External Stakeholders: Internal stakeholders include Center for Families, Children & the Courts, and external stakeholders include trial courts and DCSS.</p> <p>AC Collaboration: Family and Juvenile Law Advisory Committee and the Workload Assessment Advisory Committee.</p>	
	<p>Project Summary: Part of the charge of the committee pursuant to rule 10.64. The project originated due to the declining fund balance in the TCTF Court Interpreter Program (0150037), and the Trial Court Budget Advisory Committee Interpreter Funding Working Group was established to develop a methodology for allocations from the Court Interpreter Program in the event of a funding shortfall and to review existing methodologies. The expected outcome is to appropriately allocate funds in the event of a shortfall; however, there is a</p>	

#	Ongoing Projects and Activities ³
	<p>recommendation included that the Funding Methodology Subcommittee obtain responsibility for the continued review and development of an allocation methodology.</p> <p><i>Status/Timeline:</i> Targeted completion date of December 2018 for reimbursements in 2018–19.</p> <p><i>Fiscal Impact/Resources:</i> Budget Services Staff and Court Operations Services staff.</p> <p><i>Internal/External Stakeholders:</i> External stakeholders include trial courts.</p> <p><i>AC Collaboration:</i> None.</p>

LIST OF 2017 PROJECT ACCOMPLISHMENTS

#	Project Highlights and Achievements
1.	<p>Workload-based Allocation and Funding Methodology (WAFM)</p> <p>The Funding Methodology finalized its WAFM allocation recommendation for 2018–19 on November 14, 2017, which is scheduled to go to the Trial Court Budget Advisory Committee on December 4, 2017 and to the Judicial Council in January 2018. Project continues into the 2018 agenda.</p>
2.	<p>Court-Appointed Dependency Counsel Funding</p> <p>The Small Court Dependency Workload Working Group made a recommendation to the Judicial Council in May 2017 as it relates to a Bureau of Labor Statistics adjustment for two years (2017–18 and 2018–19). The working group sunsetted on May 19, 2017. Project continues into the 2018 agenda.</p>
3.	<p>Child Support Commissioner and Family Law Facilitator (AB 1058) Funding</p> <p>The AB 1058 Funding Allocation Joint Subcommittee heard a report on potential funding models by a consultant, Maximus. Project continues into the 2018 agenda.</p>
4.	<p>State Trial Court Improvement and Modernization Fund (IMF) and Trial Court Trust Fund (TCTF) Allocations</p> <p>The Revenue and Expenditure Subcommittee made 2017–8 IMF and TCTF allocation recommendations to the Trial Court Budget Advisory Committee and Judicial Council in May and July of 2017. Project continues into the 2018 agenda.</p>
5.	<p>V3 Case Management System Funding</p> <p>Project continues into the 2018 agenda; however, included in the IMF and TCTF Allocations ongoing project as funding allocation recommendations for this particular project are under the purview of the Revenue and Expenditure Subcommittee.</p>