



JUDICIAL COUNCIL
OF CALIFORNIA

TRIAL COURT BUDGET
ADVISORY COMMITTEE

TRIAL COURT BUDGET ADVISORY COMMITTEE

FISCAL PLANNING SUBCOMMITTEE

MATERIALS AUGUST 7, 2018

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Notice of Action by E-mail Between Meetings for
Trial Court Budget Advisory Committee
Fiscal Planning Subcommittee

The Chair of the Fiscal Planning Subcommittee having concluded that prompt action is needed, public notice is hereby given that the Fiscal Planning Subcommittee proposes to act by email between meetings on August 7, 2018 at 2:00 p.m. in accordance with California Rules of Court, rule 10.75(o)(1)(B). A copy of the proposed action is available on the advisory body web page on the California Courts website listed above.

Written Comment

In accordance with California Rules of Court, rule 10.75(o)(2), written comments pertaining to the proposed action may be submitted before the Fiscal Planning Subcommittee acts on the proposal. For this specific meeting, comments should be e-mailed to tcbac@jud.ca.gov or delivered to Judicial Council of California, 455 Golden Gate Avenue, San Francisco, CA 94102, attention: Ms. Brandy Sanborn. Only written comments received by 1:00 p.m. on August 7, 2018 will be provided to advisory body members.

Posted on: July 31, 2018

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

(Item 1)

Title: Trial Court Trust Fund (TCTF) Funds Held on Behalf of the Trial Courts Requests

Date: 8/7/2018

Contact: Catrayel Wood, Senior Budget Analyst, Judicial Council Budget Services
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Issue

Consideration of whether to recommend that the Judicial Council approve TCTF funds to be held on behalf of the trial courts in response to one amended requests from one trial court.

Background

At the Judicial Council’s April 15, 2016 business meeting, the council approved the Trial Court Budget Advisory Committee (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 (Attachment C).

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.

TCTF Funds Held on Behalf Requests

The TCTF funds held on behalf of the trial courts process requires that courts submit their requests at least 40 business days before the Judicial Council business meeting. One court has submitted a request within this time frame to be considered for the Judicial Council’s September 20-21, 2018 business meeting.

Attachment A summarizes the amended TCTF funds held on behalf request totaling \$465,234. Greater detail on each courts’ request is provided in the attachments listed below.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
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Attachments


- Attachment A:** Summary of Requests for TCTF Funds to be Held on Behalf of the Court (Amended Requests)
- Attachment B:** Application for TCTF Funds Held on Behalf of the Court—Request for the Superior Court of Orange County (Amended Request)
- Attachment C:** *Judicial Council–Approved Process, Criteria, and Required Information for Trial Court Trust Fund Funds Balance Held on Behalf of the Courts*

Summary of Requests for Trial Court Trust Fund Funds to be Held on Behalf of the Court (Amended Requests)

Table 1: Amended Requests for September 20—21, 2018 Judicial Council Meeting

Court	Request Number	Last Approved Amount	Does Request Change \$\$ Amount?	If Yes - \$\$ Change +/-	Total of Original Approved Requests by Fiscal Year				Total of Amended Requests by Fiscal Year				Category	High-Level Summary
					2015-16	2016-17	2017-18	2018-19	2015-16	2016-17	2017-18	2018-19		
Orange	30-16-01-A2	642,384	Yes	(177,150)			642,384					465,234	CMS	Tyler Technologies
		<u>642,384</u>		<u>(177,150)</u>	-	-	<u>642,384</u>	-	-	-	-	<u>465,234</u>		
					<u>642,384</u>				<u>465,234</u>					
											Difference Between Amended and Original Requests		<u><u>(177,150)</u></u>	

APPLICATION FOR TCTF FUNDS HELD ON BEHALF OF THE COURT

Please check the type of request: <input type="checkbox"/> NEW REQUEST <i>(Complete Section I, III, and IV only.)</i> <input checked="" type="checkbox"/> AMENDED REQUEST <i>(Complete Sections I through IV.)</i>		
SECTION I: GENERAL INFORMATION		
SUPERIOR COURT: Orange	PERSON AUTHORIZING REQUEST <i>(Presiding Judge or Court Executive Officer):</i> David Yamasaki, Court Executive Officer	
	CONTACT PERSON AND CONTACT INFO: John Leocadio; jleocadio@occourts.org; 657-622-7669 (Project Manager) Katrina Coreces; kcoreces@occourts.org; 657-622-7739 (Financial Planning)	
DATE OF SUBMISSION: 7/20/2018	TIME PERIOD COVERED BY THE REQUEST, INCLUDING CONTRIBUTION AND EXPENDITURE: 7/1/2013 – 6/30/2019	REQUESTED AMOUNT: \$465,234
REASON FOR REQUEST <i>(Please briefly summarize the purpose for this request, including a brief description of the project/proposal. Use attachments if additional space is needed.):</i>		
<p>In support of the Court's long-term business objectives, cost savings measures, and technology goals, the Court's leadership initiated the implementation of a new Case Management System ("CMS") from Tyler Technologies ("Tyler") to replace the Court's outdated Banner CMS, which supports Family Law and Juvenile case types. The implementation plan also included the conversion of the Civil Cashiering System ("CCS"). As such, the Court required professional and consulting services to assist with a gap analysis, configuration, data conversion, testing, and implementation. Services included technical project management support; inventory, assessment, and recommendations for Family Law, Juvenile Dependency, Juvenile Delinquency, and CCS data conversion; programming; and other services to ensure the Court's successful conversion to Tyler's Odyssey CMS.</p> <p>In FY 2013-14, the Court encumbered \$2,807,540 in professional and consulting services to implement the new CMS with the understanding that all deliverables would be completed before June 30, 2016. On December 7, 2015, despite lacking some functionalities, the new CMS for Family Law and Juvenile went live. On June 30, 2016, the three-year encumbrance period ended with significant deliverables still outstanding. As a result, the Court requested that \$775,384 in encumbered funds be held in the TCTF for two additional fiscal years. The Judicial Council approved this request. The Court submitted a similar request when the funds were not expended by June 30, 2017. That request was also approved.</p> <p>Despite the Court's best efforts, as of June 30, 2018, Tyler still has not completed all deliverables. This request therefore asks that the Judicial Council hold \$465,234 in encumbered funds on the Court's behalf beyond June 30, 2018, in order to allow the Court to complete the CMS implementation by June 30, 2019.</p>		
SECTION II: AMENDED REQUEST CHANGES		
<p>A. Identify sections and answers amended. Sections I, II.A,B-IV.</p> <p>B. Provide a summary of the changes to the request. The prior request dated May 10, 2017, indicated that \$642,384 would be expended by June 30, 2018. The Court did not expend all funds by that date. The Court now asks the TCTF to hold the funds from July 1, 2018 until June 30, 2019. As the Court has already expended \$177,150 of the \$642,384, this request now asks that \$465,234 be held in the TCTF until June 30, 2019.</p>		

SECTION III: TRIAL COURT OPERATIONS AND ACCESS TO JUSTICE**A. Explain why the request does not fit within the court's annual operational budget process and the three-year encumbrance term.**

Due to the size of the project, the complexity of the case types implemented, and Tyler's limited resources, Tyler is unable to deliver the custom development needed for improved efficiencies and cost savings solutions by June 30, 2018. Due to severe funding restrictions, the Court cannot afford an allocation reduction of \$465,234 in FY 2018-19 and spend an additional \$465,234 in FY 2018-19 funds to complete the implementation.

APPLICATION FOR TCTF FUNDS HELD ON BEHALF OF THE COURT (Continued)**SECTION III (continued): TRIAL COURT OPERATIONS AND ACCESS TO JUSTICE****B. How will the request enhance the efficiency and/or effectiveness of court operations, and/or increase the availability of court services and programs?**

Allowing the Court to hold these funds beyond FY 2017-18 will allow the Court to work Tyler to continue development work to improve critical court operations such as generating minute orders effectively, accurately, and timely. Additionally, the Court is awaiting delivery of new features for its Alternate Defense Billing ("ADB"). The biggest ADB item that the Court is still waiting for is "Fast Track an Attorney Payment" or the "easy button." This is not slated for complete delivery until after FY 2017-18. The Court is also waiting for a few fixes to ADB items already delivered but that the Court found defective.

C. If a cost efficiency, please provide cost comparison (table template provided).

N/A

D. Describe the consequences to the court's operations if the court request is not approved.

The backlog of minute orders continues to grow, significantly impacting court operations. Issues include: judges and attorneys not having up-to-date information; delayed attorney payments; more calls from the public wanting to get the status of their cases; disturbance of courtroom proceedings; blank minute orders being printed; incomplete minute orders being uploaded to the case record; and incorrect party extensions. All of these require court resources to correct, validate, and report. If this request is not approved, the Court will be unable to continue to work with Tyler to get to the point where the minute orders and Odyssey in general are dependable and reliable.

The Court will also require additional resources to process attorney payments. If the ADB functionality worked as designed then operations would be able to match up every item invoiced with Odyssey's record of which attorneys appeared on cases. Today, this matching is not precise and because attorney payments require a high level of accuracy and expediency, court resources are used to manually identify discrepancies and make sure the correct attorneys are paid the correct amounts. To make matters more complicated, currently the searches don't show complete data sets. For now, research is a completely manual process.

E. Describe the consequences to the public and access to justice if the court request is not approved.

The backlogs of minute orders are impacting services to children and families as well as reimbursements for services. Families or children cannot get into programs without a minute order. Public access to justice is compromised as the public is not able to move forward with their orders because the minute order is the official order. In other cases, due to the backlogs, hearings are not scheduled in the system and the public shows up, resulting in the Court not being prepared to call their case.

F. What alternatives has the court identified if the request is not approved, and why is holding funding in the TCTF the preferred alternative?

The Court is not in a financial situation that would support an alternative option. The Court's FY 2018-19 operating budget cannot accommodate an additional \$465,234 in expenditures; it does not have a sufficient reserve from which to draw funds as the Court cannot carryover more than 1% of its operating budget (which amounts to less than \$2 million or three days of payroll); and 2% Automation Fund reserves have already been earmarked for case management system replacements (for both Civil and Criminal case types). Additionally, should this request not be approved, the Court would suffer a reduction to funding in FY 2018-19, which the Court can ill afford.

SECTION IV: FINANCIAL INFORMATION

Please provide the following (*table template provided for each*):

A. Three-year history of year-end fund balances, revenues, and expenditures

N/A

B. Current detailed budget projections for the fiscal years the trial court would either be contributing to or receiving distributions from the TCTF fund balance held on the court's behalf

N/A

C. Identification of all costs, by category and amount, needed to fully implement the project

N/A

D. A specific funding and expenditure schedule identifying the amounts to be contributed and expended, by fiscal year

Attached

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*)