



JUDICIAL COUNCIL
OF CALIFORNIA

TRIAL COURT BUDGET
ADVISORY COMMITTEE

TRIAL COURT BUDGET ADVISORY COMMITTEE

**MATERIALS FOR AUGUST 14, 2018
TELEPHONIC MEETING**

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TRIAL COURT BUDGET ADVISORY COMMITTEE

NOTICE AND AGENDA OF OPEN MEETING

Open to the Public (Cal. Rules of Court, rule 10.75(c)(1) and (e)(1))

THIS MEETING IS BEING CONDUCTED BY ELECTRONIC MEANS

THIS MEETING IS BEING RECORDED

Date: August 14, 2018
Time: 12:00 p.m. - 1:15 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.

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

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

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

Call to Order and Roll Call

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

This meeting will be conducted by electronic means with a listen only conference line available for the public. As such, the public may submit comments for this meeting only in writing. 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 August 13, 2018 will be provided to advisory body members prior to the start of the meeting.

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

Item 1

Allocation Methodology for Interpreter Program Shortfall (Action Required)

Consideration of recommendations regarding a methodology for allocating a structural shortfall in Court Interpreter Program beginning in 2018-19.

Presenter(s)/Facilitator(s): Mr. Catrayel Wood, Senior Budget Analyst, Judicial Council Budget Services

IV. INFORMATION ONLY ITEMS (NO ACTION REQUIRED)

None

V. ADJOURNMENT

Adjourn

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

(Action Item)

Title: Allocation Methodology for Interpreter Program Shortfall
Date: 8/13/2018
Contact: Catrayel Wood, Senior Budget Analyst, Judicial Council Budget Services
916-643-7008 | catrayel.wood@jud.ca.gov

Issue

Consideration of a recommendation regarding a methodology for addressing a projected \$3.4 million shortfall in the Court Interpreter Program (CIP) in the current fiscal year.

Background

Current projections for the Trial Court Trust Fund (TCTF) CIP 0150037 (formerly known as Program 45.45) indicate that the fund balance has been depleted, and with expenditures exceeding allocations, the fund will become insolvent in the current fiscal year. At its July 31, 2018 meeting, the Trial Court Budget Advisory Committee (TCBAC) tasked Judicial Council Budget Services staff with providing additional options to address the anticipated shortfall.

Article I, section 14 of the California Constitution was amended in 1974 to provide that "[a] person unable to understand English who is charged with a crime has a right to an interpreter throughout the proceedings, and the enactment of Assembly Bill (AB)1657 (Stats. 2014, ch.721) expanded California's constitutional mandate and authorized courts to provide interpreters to all parties in civil matters, regardless of income, and set forth a priority and preference order when courts do not have sufficient resources to provide interpreters for all persons (Attachment A).

CIP Projections

The projected expenditures below reflect the following: 1) an estimated six percent wage growth over a three-year term starting in 2018-19; 2) AB1657 (Stats. 2014, ch.721) mandate for the ongoing expansion of court interpreter services into all civil matters; and 3) the cost of interpreter coordinators that no longer need to be certified and or registered:

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PROJECTED EXPENDITURES					
Expenditure Categories		2017-18	2018-19	2019-20	2020-21
		A	B	C	D
1	Mandated Criminal	100,780,466	102,339,457	103,920,316	105,532,792
2	Domestic Violence	1,307,433	1,346,656	1,387,056	1,428,667
3	Civil <i>(expansion locked at 87% of rollout)</i>	3,802,455	3,878,504	3,956,074	4,035,196
5	Additional Interpreter Coordinator Expenses	1,000,000	2,637,215	2,637,215	2,637,215
6	Estimated Wage Increases	1,558,991	1,580,859	1,612,476	1,644,726
7	Court Interpreter Data Collection System	87,000	87,000	87,000	87,000
Total Projected Expenditures		108,536,345	111,869,691	113,600,137	115,365,596

The civil projection of \$3.9 million above is comprised of the following: Priority 2) Unlawful Detainer, \$1.12 million; Priority 3) Parental Termination, \$11,000; Priority 4) Conservatorship / Guardianship, \$150,000; Priority 5) Custody / Visitation, \$80,000; Priority 7) Other Family Law, \$2.07 million; Priority 8) Other Civil, \$320,000; and Unidentified Civil, \$130,000.

The 2018 Budget Act included a one-time, \$4 million funding award for the interpreter fund, resulting in an estimated shortfall of (\$3.4 million) for 2018-19. The deficit is expected to increase by nearly \$6 million in 2019-20 through a combination of estimated increased costs of \$1.7 million and the sunset of the \$4 million one-time funding:

PROJECTED FUND BALANCE *				
Description	2017-18	2018-19	2019-20	2020-21
Beginning Fund Balance <i>(prior year carry over)</i>	5,698,434	794,089	-	-
Allocation	103,632,000	107,632,000	103,632,000	103,632,000
Projected Expenditures	(108,536,345)	(111,869,691)	(113,600,137)	(115,365,596)
Surplus / (Deficit)	(4,904,345)	(4,237,691)	(9,968,137)	(11,733,596)
Ending Fund Balance	794,089	(3,443,602)	(9,968,137)	(11,733,596)

Budget Change Proposal (BCP)

There is a 2019-20 BCP in process that is requesting an additional \$11 million ongoing for the CIP, which would resolve the shortfall issue for the budget year:

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UPDATED PROJECTED FUND BALANCE *				
Description	2017-18	2018-19	2019-20	2020-21
Beginning Fund Balance <i>(prior year carry over)</i>	5,698,434	794,089	-	1,031,863
Allocation	103,632,000	107,632,000 ¹	114,632,000	114,632,000
Projected Expenditures	(108,536,345)	(108,960,813)	(113,600,137)	(115,365,596)
Surplus / (Deficit)	(4,904,345)	(1,328,813)	1,031,863	(733,596)
Ending Fund Balance	794,089	(534,724)	1,031,863	298,267

*Assumes an ongoing \$11 million increase to the appropriation beginning in 2019-20.

Even if the BCP is approved, ongoing cuts may be required beginning in 2021-22, as \$11 million is not enough to cover increases in costs or additional expansion beyond 2020-21.

The following options to address the projected 2018-19 shortfall are before the committee for consideration:

Option 1

Recommend the allocation of TCTF fund balance on a one-time basis.

Current projections indicate that the TCTF has sufficient reserves to address the anticipated current year shortfall. Allocation of fund balance from the TCTF on a one-time basis will enable courts to maintain the CIP at its current level through 2018-19. In 2008-09, court interpreter expenditures exceeded the appropriation by \$912k and the funding shortfall was covered by one time funding allocated by the Judicial Council². The current TCTF Fund Condition Statement is provided as Attachment B.

Option 2

Recommend to discontinue reimbursement for all civil matters effective October 1, 2018 for the current year only, pending the outcome of the 2019-20 BCP.

Discontinuing reimbursement for all civil matters could result in budget implications for the trial courts. This will not preclude the courts from continuing to provide interpreters in civil as they have the authority to utilize their operational funds for this purpose. Adoption of this option would require pro rata reductions to courts' monthly staff interpreter employee distributions based on courts' 2018-19 Schedule 7A.

¹ Excludes appropriation and projected expenditures for increased interpreter benefits and interpreters for the two new judgeships in Riverside County.

² <http://www.courts.ca.gov/documents/min072909.pdf> (see page 5, item 7).

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If this option is recommended, Judicial Council staff can be directed to notify courts that this recommendation will be considered by the Judicial Council at their September 20-21, 2018 business meeting to allow courts the ability to plan.

Option 3

Recommend to discontinue reimbursement for civil matters effective October 1, 2018 for the current year only, pending the outcome of the 2019-20 BCP. Civil matters will be reimbursed to the extent funds are available to reimburse all courts up to a certain priority level.

This option would continue to reimburse courts to the extent funds are available and may mitigate the budget implications for the trial courts. For example, if funds are available to fully reimburse courts up to priority level 4, reimbursement for priority levels 5 through 8 will be discontinued. This will not preclude the courts from continuing to provide interpreters in civil as they have the authority to utilize their operational funds for this purpose. Adoption of this option would require pro rata reductions to courts' monthly staff interpreter employee distributions based on courts' 2018-19 Schedule 7A.

If this option is recommended, Judicial Council staff can be directed to notify courts that this recommendation will be considered by the Judicial Council at their September 20-21, 2018 business meeting to allow courts the ability to plan.

Alternative Considered

The TCBAC discussed an alternative option to seek approval from the Administration and the Legislature to repurpose the \$4.0 million provided in the Budget Act of 2018 for the Language Access Plan Implementation. The \$4.0 million ongoing was for infrastructure and foundational items, including signage, credential review, training, equipment, and staff to administer the program. This would require a statutory change as the \$4.0 million has already been appropriated in the 2018-19 Budget Act through the BCP process. However, there is insufficient time to secure Judicial Council approval of this alternative in order to meet legislative timelines.

Recommendation

It is recommended that the TCBAC select one of the three options identified above for recommendation to the Judicial Council.

Attachments

Attachment A: Priority in Providing Court Interpreter Services to Parties

Attachment B: TCTF Fund Condition Statement

PRIORITY IN PROVIDING COURT INTERPRETER SERVICES TO PARTIES

MANDATORY PROVISION OF INTERPRETER SERVICES

- CRIMINAL
- TRAFFIC
- JUVENILE DELINQUENCY OR DEPENDENCY
- MENTAL COMPETENCY HEARINGS WITH APPOINTED COUNSEL
- OTHER MANDATED CIVIL

Until sufficient funds are appropriated, provide interpreters in all other case types in the following priority order:

PRIORITY 1

Protective order in family law case with domestic violence claim, elder or dependent adult case involving physical abuse or neglect, or civil harassment case under CCP § 527.6(w)

Fee waiver does not have preference.

PRIORITY 2

Unlawful detainer

Fee waiver does not have preference.

PRIORITY 3

Action to terminate parental rights

Fee waiver has preference.

PRIORITY 4

Conservatorship or guardianship

Fee waiver has preference.

PRIORITY 5

Actions by a parent to obtain sole legal or physical custody of child or visitation

Fee waiver has preference.

PRIORITY 6

Elder/dependent adult abuse not involving physical abuse or neglect or other civil harassment under CCP § 527.6

Fee waiver has preference.

PRIORITY 7

All other family law (not involving domestic violence/custody/visitation)

Fee waiver has preference.

PRIORITY 8

All other civil cases

Fee waiver has preference.

CCP = Code of Civil Procedure

Trial Court Trust Fund - Fund Condition Statement

#	Description	YEAR END FINANCIAL STATEMENTS			ESTIMATED				
		2014-15	2015-16	2016-17	2017-18 ¹	2018-19 ²	2019-20	2020-21	2021-22
A		B	C	D	E	F	G	H	I
1	Beginning Fund Balance	21,218,232	6,614,017	34,829,875	66,569,098	70,995,870	73,684,784	59,903,812	46,509,154
2	Prior-Year Adjustments	5,624,798	7,208,461	5,759,000			-	-	-
3	TOTAL REVENUES AND TRANSFERS	2,333,631,984	2,431,232,814	2,486,227,327	2,481,415,502	2,645,637,422	2,624,401,000	2,624,401,000	2,605,301,000
4	<i>Total Revenues</i>	<i>1,341,324,951</i>	<i>1,294,611,392</i>	<i>1,270,421,327</i>	<i>1,283,589,502</i>	<i>1,263,321,872</i>	<i>1,250,998,000</i>	<i>1,250,998,000</i>	<i>1,250,998,000</i>
5	Transfers/Charges/Reimbursements								
6	General Fund Transfer	922,648,255	943,724,000	1,021,832,000	986,281,000	1,161,529,000	1,161,529,000	1,161,529,000	1,142,429,000
7	General Fund Transfer - Court-Appointed Dependency Counsel		114,700,000	114,700,000	136,700,000	136,700,000	136,700,000	136,700,000	136,700,000
8	General Fund Transfer - Revenue Backfill	30,900,000	58,900,000	61,300,000	55,000,000	64,294,000	56,000,000	56,000,000	56,000,000
9	General Fund Loan - Statewide E-Filing				671,000	491,000			
10	Reduction Offset Transfers	26,080,000	6,080,000	6,080,000	6,080,000	6,080,000	6,080,000	6,080,000	6,080,000
11	Net Other Transfers/Charges/Reimbursements	12,678,778	13,217,422	11,894,000	13,094,000	13,221,550	13,094,000	13,094,000	13,094,000
12	Total Resources	2,360,475,014	2,445,055,292	2,526,816,202	2,547,984,600	2,716,633,292	2,698,085,784	2,684,304,812	2,651,810,154
13	EXPENDITURES/ENCUMBRANCES/ALLOCATIONS								
14	Program 30/30.05 (0140010) - Judicial Council (AOC Staff)	4,095,938	3,620,851	2,306,934	3,292,198	3,636,608	3,130,608	3,130,608	3,130,608
15	Program 30.15 (Formerly Program 45.10) (0140019) - Trial Court Operations ⁴	15,622,980	12,369,281	-	-	-	-	-	-
16	Program 45.10 (0150010) - Support for Operation of the Trial Courts	1,883,174,214	1,816,242,767	1,860,003,547	1,832,248,717	1,989,577,876	1,989,577,876	1,989,577,876	1,970,477,876
17	Program 0150011 - Court-Appointed Dependency Counsel	-	114,387,117	114,699,919	136,631,250	136,700,000	136,700,000	136,700,000	136,700,000
18	Program 45.15 - Trial Court Security	-	-	-	-	-	-	-	-
19	Program 45.25 (0150019) - Compensation of Superior Court Judges	319,803,869	330,369,783	335,384,000	348,583,021	356,974,000	356,974,000	356,974,000	356,974,000
20	Program 45.35 (0150028) - Assigned Judges	24,792,538	25,199,733	25,923,351	28,063,247	28,117,000	28,117,000	28,117,000	28,117,000
21	Program 45.45 (0150037) - Court Interpreters	96,802,928	99,598,715	102,282,915	108,537,000	108,960,000	104,960,000	104,960,000	104,960,000
22	Program 45.55 (0150046) - Grants	8,864,250	8,146,000	8,147,000	9,554,900	9,709,939	9,252,188	9,540,791	9,540,791
23	9892 Supplemental Pension Payments (State Ops)					98,000	105,000	169,000	177,000
24	Program 0150095 - Expenses on Behalf of the Trial Courts	-	-	11,391,069	10,078,398	9,175,085	9,365,300	8,626,384	9,043,384
25	Item 601 - Redevelopment Agency Writ Case Reimbursements	704,280	291,169	108,368	-	-	-	-	-
26	Total, Expenditures/Encumbrances/Allocations	2,353,860,997	2,410,225,417	2,460,247,104	2,476,988,731	2,642,948,508	2,638,181,972	2,637,795,658	2,619,120,658
27	Ending Fund Balance	6,614,017	34,829,875	66,569,098	70,995,870	73,684,784	59,903,812	46,509,154	32,689,495
28	Urgent Needs Reserve			10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
29	Funds Held on Behalf of the Trial Courts				150,000	150,000	150,000		
30	Court Interpreter Funds Held in Reserve	10,917,600	9,043,514	5,698,434	794,089			-	-
31	CAC Dependency Collections Held in Reserve	1,574,692	2,186,060	542,893	498,168	454,312	806,251	806,251	806,251
32	Redevelopment Agency Writ Case Reimbursements Held in Reserve	927,837	636,668						
33	Equal Access Fund Held in Reserve		454,039	966,609	342,531	342,531	342,531	342,531	342,531
34	Sargent Shriver Civil Counsel Held in Reserve	2,494,429	1,449,503	944,028	544,494	544,494	544,494	544,494	544,494
35	Total Restricted Funds	16,294,708	13,769,783	18,151,963	12,329,281	11,491,337	11,843,276	11,693,276	11,693,276
36	Ending Unrestricted Fund Balance	(9,680,691)	21,060,092	48,417,135	58,666,588	62,193,447	48,060,536	34,815,878	20,996,219
40	Net Revenue/Transfers Over or (Under) Expenditures	(20,229,013)	21,007,397	25,980,223	4,426,771	2,688,914	(13,780,972)	(13,394,658)	(13,819,658)

¹ FY 2017-18 are not reflective of the final year-end financial statements. The revenues are based on accruals provided to accounting; expenditures are based on estimated year end calculations.

² 2018-19 revenues reflect May Revise projections; expenditures are based on JCC approved allocations plus \$75 million pending allocation.