



JUDICIAL COUNCIL OF CALIFORNIA

TRIAL COURT BUDGET
ADVISORY COMMITTEE

TRIAL COURT BUDGET ADVISORY COMMITTEE

MATERIALS FOR NOVEMBER 13, 2018 TELECONFERENCE 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: November 13, 2018
Time: 12:00 p.m. - 1:00 p.m.
Public Call-in Number: 1-877-820-7831; Passcode 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 November 9, 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

Allocation of \$2.92 Million in the Budget Act of 2018 for Two Judgeship in Riverside Superior Court (Action Required)

Consideration of FMS recommendation regarding how the funds for the judgeships should be allocated.

Presenter(s)/Facilitator(s): Melissa Ng, Senior Budget Analyst, Budget Services

Item 2

2017-18 Final One-Time Reduction for Fund Balances Above the 1% Cap (Action Required)

Review of final submissions of 2017-18 one-time reductions for fund balances.

Presenter(s)/Facilitator(s): Melissa Ng, Senior Budget Analyst, Budget Services

IV. ADJOURNMENT

Adjourn

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

(Action Item)

Title: 2018–19 Allocation Methodology of New Judgeships
Date: 11/13/2018
Contact: Melissa Ng, Senior Budget Analyst, Judicial Council Budget Services
916-263-1754 | melissa.ng@jud.ca.gov

Issue

Consideration of the Funding Methodology Subcommittee recommendation to approve an allocation methodology for new funding for judgeships provided in the Budget Act of 2018.

Background

The Budget Act of 2018 (Stats. 2018, Ch. 29) provides a total of \$2.92 million ongoing funding to be available for expenses associated with two judgeships in Riverside Superior Court:

- \$768,000 for compensation of superior court judges (Program 0150019);
- \$256,000 for court interpreters (Program 0150037); and
- \$1.896 million for expenses related to support for the judgeships (Program 0150010).

AB 159 (Stats 2007, Ch. 722,) authorized 50 additional judgeships to be allocated to various county superior courts. SB 879 (Ch. 457, Stats. 2018) amended Government Code section 69614.3 to allocate two of the 50 judgeships to the County of Riverside effective July 1, 2018.

Current Funds Disbursement Processes

Judges' Salaries

Riverside Superior Court judges are paid through the county. The county submits paper claim schedules to the State Controller's Office to receive reimbursement for costs related to judges' salaries and benefits. As a result, the \$768,000 compensation is excluded from this recommendation.

Court Interpreters

Court interpreter costs are allocated and reimbursed through the monthly Trial Court Trust Fund distribution process. Allocated funds are distributed to courts on a monthly basis for staff interpreter salary and benefit costs for authorized positions as reported by the courts on their Schedule 7A. Additionally, courts are reimbursed for actual expenditures for qualifying actual

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costs incurred during the applicable period pending available funding. As a result, the \$256,000 for court interpreters is excluded from this recommendation.

Support for Trial Court Operations

Provisional language in the 2018 Budget Act specifically directs that this funding be available to support the judgeships in Riverside Superior Court.

An alternative considered was to use the Workload-based Allocation and Funding Methodology approved by the Judicial Council to allocate trial court operations funds. Given the provisional language, this alternative is inconsistent with the 2018 Budget Act.

Recommendation

The Funding Methodology Subcommittee is recommending that the TCBAC approve \$1.896 million for general trial court operations to be allocated to Riverside Superior Court pursuant to the 2018 Budget Act for consideration by the Judicial Council at its January 14--15, 2019 meeting.

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(Action Item)

Title: 2017-18 Final One-Time Reduction for Fund Balances Above the 1% Cap
Date: 11/13/2018
Contact: Melissa Ng, Senior Budget Analyst, Judicial Council Budget Services
916-263-1754 | melissa.ng@jud.ca.gov

Issue

Under Government Code (GC) section 77203(b), a trial court may carry over unexpended funds in an amount not to exceed 1 percent of the court's operating budget from the prior fiscal year. The Judicial Council approved the 2017-18 preliminary one-time allocation reduction of \$2,005,414 on September 21, 2018. The final reduction allocation of \$1,737,127 related to the fund balance in 2017-18 and prior-year excluded funds is provided for Trial Court Budget Advisory Committee consideration and recommendation to the council.

Background

GC section 68502.5(c)(2)(A) requires the council to make a preliminary allocation reduction in July of each fiscal year and a final allocation reduction before February of each fiscal year to offset the amount of fund balance (or reserves) in excess of the amount authorized by GC section 77203. GC 77203 limited the amount of funds to be carried over from one year to the next beginning June 30, 2014.

At its July 29, 2014 business meeting, the council approved an annual process beginning in 2015-16 for courts to provide preliminary and final computations of the portion of their ending fund balance that is subject to the 1 percent cap in compliance with GC section 68502.5(c)(2)(A):

- Each year, courts will be required to submit the 1 percent computation form with preliminary year-end information by July 15. The information provided by courts will be used by the council to make the preliminary allocation of reductions as required by statute. Courts would not be required to provide the details related to encumbrances, prepayments, and restricted revenue when submitting the form for the preliminary allocation.
- Each year, courts will be required to submit the 1 percent computation form with final year end information by October 15.

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The figures in Attachment A reflect courts' finalized and closed accounting records for 2017-18, which have been reviewed by the Judicial Council's Budget Services and Branch Accounting and Procurement staff:

- Column A displays the calculated cap amount for each court;
- Column F shows the court's 2017-18 fund balance amounts subject to the cap, excluding statutorily restricted funds per GC section 77203(b), encumbrances consistent with the state contracting process, and prepayments;
- Column G displays the courts' final computation of the amount above their 1 percent cap, totaling \$1.17 million;
- Column H provides those 2017-18 adjustments to the courts 2015-16 and 2016-17 fund balance cap, totaling \$559,683; and
- Column I displays the courts' final total reduction computation.

Twelve courts have submitted requests totaling \$1.7 million (Column J) under the Judicial Council-approved process for trial courts to request that Trial Court Trust Fund (TCTF)-reduced allocations related to the fund balance cap be retained in the TCTF as restricted fund balance for the benefit of those courts. This retention allows the courts to prudently plan for and fund necessary court infrastructure projects such as technology or infrastructure improvements, facilities maintenance and repair allowed under rule 10.810 of the California Rules of Court, court efficiencies projects, and other court infrastructure projects that would not be possible as an unintended consequence of the 1 percent fund balance cap.

Attachment B provides detail on the final allocation adjustments for the 2017-18 1 percent cap adjustment and TCTF funds held on behalf (FHOB) requests that will be distributed in the February 2018 TCTF distributions to the trial courts:

- Column A shows the preliminary 1 percent cap reductions taken in October 2018 that included 15 courts;
- Column B displays the final reductions includes 20 courts;
- Column C shows the net adjustment of \$268,287 between the preliminary and final 1 percent cap calculations; Column D reflects the preliminary TCTF FHOB requests of \$896,779 returned in October 2018;
- Columns E and F reflect the final TCTF FHOB requests totaling \$1.67 million. Of this amount, \$711,748 will be held in the TCTF fund balance for the courts that are saving funds for expenditures in future years; and
- Column G displays the amounts that will be returned to courts in February 2018 for expenditure in 2018-19.

The amounts that will be returned to courts has been adjusted for those courts that have approved FHOB requests that exceed their reduction for the 1 percent fund balance cap. These courts will

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need to submit an amendment to their FHOB request that will bring their request total to be equal or less than their final 1 percent cap reduction. The net adjustment column displays the total net allocation adjustment for both the 1 percent cap and the TCTF FHOB requests.

Recommendation

Approve the adjustment to the preliminary 1 percent fund balance cap reduction allocation of \$2,005,414 approved by the council on September 21, 2018 by a net of \$268,287, for a final reduction allocation of \$1,737,127 to match the trial courts' final calculations of the amount above the 1 percent fund balance cap.

Attachments

- A. Final One-Time Allocation Reduction for Fund Balance Above the 1% Cap
- B. Final 1% Fund Balance Cap Calculation Form

Final One-Time Allocation Reduction for Fund Balance above the 1% Cap
(as of November 1, 2018)

Court	Fund Balance Cap Col. A	FY 2017-18 Ending Fund Balance Col. B	Encumbrance Reserves at June 30 Col. C	Excluded Funds Col. D	Prepayments Col. E	Fund Balance Subject to Cap Col. F (B - C - D - E)	Current Year Reduction Col. G (F - A)	Prior Year Disencumbrance Col. H	Total FINAL Reduction Col. I (G + H)	Approved 2018-19 TCTF Funds Held on Behalf ¹ Col. J	Net Reduction after Funds Held on Behalf Col. K (J - I)
ALAMEDA	979,229	10,764,153	7,576,896	1,239,274	0	1,379,800	400,264	307	400,571	400,000	(571)
ALPINE	8,117	50,133	29,931	12,670	0	7,532	-	-	-	-	-
AMADOR	29,744	99,785	51,221	26,200	0	22,364	-	-	-	-	-
BUTTE	136,149	882,333	87,670	396,170	139,020	200,776	64,627	-	64,627	46,316	(18,311)
CALAVERAS	27,463	336,970	0	151,513	183,578	1,878	-	-	-	-	-
COLUSA	22,386	447,148	14,059	243,351	0	189,738	167,352	-	167,352	170,000	-
CONTRA COSTA	564,402	3,183,024	583,443	2,086,831	0	512,750	-	689	689	-	(689)
DEL NORTE	32,530	559,199	29,581	441,427	858	87,333	54,803	-	54,803	-	(54,803)
EL DORADO	90,989	(420,273)	0	0	1,296	(421,569)	-	-	-	-	-
FRESNO	652,365	1,984,296	212,393	1,323,351	0	448,552	-	-	-	-	-
GLENN	30,444	191,355	79,069	61,117	0	22,169	-	-	-	-	-
HUMBOLDT	88,218	96,559	0	50,000	26,488	20,071	-	-	-	-	-
IMPERIAL	127,538	1,998,718	1,305,539	569,687	81,741	41,751	-	-	-	-	-
INYO	26,783	449,547	0	434,020	3,033	12,494	-	-	-	-	-
KERN	731,895	5,118,484	0	3,153,468	777,216	511,112	-	27,433	27,433	-	(27,433)
KINGS	101,093	1,076,940	824,824	202,191	15,000	34,925	-	-	-	-	-
LAKE	40,649	225,190	37,000	153,303	0	34,887	-	-	-	-	-
LASSEN	28,421	205,541	0	101,538	0	28,078	-	-	-	-	-
LOS ANGELES	7,411,933	57,856,044	31,803,441	19,998,834	50,443	5,098,599	-	-	-	-	-
MADERA	106,845	716,557	217,563	454,344	0	44,650	-	-	-	-	-
MARIN	141,634	1,038,451	109,577	794,875	5,000	128,999	-	-	-	-	-
MARIPOSA	16,565	46,114	7,131	23,827	0	15,156	-	-	-	-	-
MENDOCINO	71,749	628,834	429,483	195,224	0	4,127	-	-	-	-	-
MERCED	166,086	3,062,010	32,459	2,597,745	110,000	85,428	-	199	199	-	(199)
MODOC	11,647	39,820	0	28,296	0	11,524	-	-	-	-	-
MONO	21,980	271,571	35,340	37,776	16,264	182,191	160,211	-	160,211	160,210	(1)
MONTEREY	231,422	1,035,273	0	802,291	14,006	209,608	-	-	-	-	-
NAPA	103,297	693,542	12,140	571,984	7,258	16,479	-	500	500	-	(500)
NEVADA	70,098	241,329	0	239,454	0	1,875	-	-	-	-	-
ORANGE	1,931,120	10,575,918	1,374,177	5,830,747	1,008,041	1,897,719	-	8,311	8,311	-	(8,311)
PLACER	209,626	2,036,288	1,063,145	445,849	113,018	214,626	-	45,803	45,803	50,350	-
PLUMAS	13,179	47,307	0	47,154	0	153	-	-	-	-	-
RIVERSIDE	1,537,972	7,561,864	2,107,680	4,103,512	0	1,350,672	-	-	-	-	-
SACRAMENTO	923,061	5,724,985	1,378,378	1,762,575	19,478	924,583	1,518	4	1,522	-	(1,522)
SAN BENITO	30,887	223,301	149,070	6,625	36,753	30,853	-	-	-	-	-
SAN BERNARDINO	1,261,780	9,453,883	3,141,446	1,633,949	4,678,488	0	-	-	-	-	-
SAN DIEGO	1,745,335	11,925,326	291,970	10,743,491	636,420	253,445	-	-	-	-	-
SAN FRANCISCO	730,367	3,340,395	750,000	1,920,408	0	284,294	-	-	-	-	-
SAN JOAQUIN	417,261	2,402,351	162,199	1,891,852	231,728	116,572	-	-	-	-	-
SAN LUIS OBISPO	166,074	2,089,112	183,189	1,740,161	0	165,762	-	-	-	-	-

1. The approved TCTF Funds Held on Behalf Requests include those requests pending before the Judicial Council at its January 14-15, 2018 meeting.

Final One-Time Allocation Reduction for Fund Balance above the 1% Cap
(as of November 1, 2018)

Court	Fund Balance Cap Col. A	FY 2017-18 Ending Fund Balance Col. B	Encumbrance Reserves at June 30 Col. C	Excluded Funds Col. D	Prepayments Col. E	Fund Balance Subject to Cap Col. F (B - C - D - E)	Current Year Reduction Col. G (F - A)	Prior Year Disencumbrance Col. H	Total FINAL Reduction Col. I (G + H)	Approved 2018-19 TCTF Funds Held on Behalf ¹ Col. J	Net Reduction after Funds Held on Behalf Col. K (J - I)
SAN MATEO	439,436	2,397,032	658,183	1,160,605	308,915	269,329	-	208,123	208,123	250,000	-
SANTA BARBARA	301,264	3,326,276	589,495	2,733,873	0	2,908	-	-	-	-	-
SANTA CLARA	992,484	754,629	0	555,207	0	199,422	-	-	-	-	-
SANTA CRUZ	146,797	891,345	311,426	439,766	0	140,153	-	-	-	-	-
SHASTA	188,267	94,460	0	199,921	3,425	(108,886)	-	-	-	-	-
SIERRA	9,150	40,310	24,988	322	15,000	0	-	37,078	37,078	37,078	-
SISKIYOU	41,256	314,830	81,378	192,528	0	40,924	-	-	-	-	-
SOLANO	264,522	1,470,866	191,121	1,027,291	0	252,454	-	183,965	183,965	183,965	-
SONOMA	287,524	2,290,915	0	1,753,226	488,095	49,594	-	-	-	-	-
STANISLAUS	273,565	779,725	0	108,956	397,204	273,565	-	-	-	-	-
SUTTER	64,403	689,571	296,525	298,417	0	49,425	-	-	-	9,041	-
TEHAMA	46,517	904,341	354,700	177,503	0	372,138	325,621	-	325,621	326,538	-
TRINITY	22,033	116,381	50,337	40,077	5,736	20,231	-	-	-	-	-
TULARE	297,463	776,501	159,709	374,356	159,833	82,603	-	45,020	45,020	45,020	-
TUOLUNME	42,470	157,058	0	111,540	0	45,518	3,048	-	3,048	-	(3,048)
VENTURA	522,724	2,847,563	2,374,401	128,853	0	344,309	-	-	-	-	-
YOLO	135,798	877,363	327,712	518,000	0	31,651	-	842	842	-	(842)
YUBA	64,784	386,080	178,206	101,883	54,295	51,696	-	1,409	1,409	1,409	-
TOTAL	25,178,789	167,374,623	59,678,195	76,439,408	9,587,630	16,288,990	1,177,444	559,683	1,737,127	1,679,927	(116,230)

1. The approved TCTF Funds Held on Behalf Requests include those requests pending before the Judicial Council at its January 14-15, 2018 meeting.

Final Allocation Adjustments for 2017-18
1% Cap Adjustment and TCTF Funds Held on Behalf

Court	1% Cap Adjustments			TCTF Funds Held on Behalf (FHOB)				Net Adjustment
	Preliminary Reduction for Fund Balance Above the 1% Cap One-Time Oct #4 Dist	Final Reduction for Fund Balance Above the 1% Cap	Fund Balance Above the 1% Total Allocation Adjustments One-Time Feb #7 Dist	Preliminary TCTF Funds Held on Behalf of the Trial Courts One-Time Oct #4 Dist	Final TCTF Funds Held on Behalf of the Trial Courts to be Returned in 2018-19	TCTF Funds Held in Reserve in the TCTF for Future Years ¹	Total TCTF FHOB of the Trial Courts Total Allocation Adjustments for 2018-19 One-Time Feb #7 Dist	
Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G		
Alameda	(800,000)	(400,571)	399,429	800,000	400,000		(400,000)	(571)
Alpine	-	-	-				-	-
Amador	-	-	-				-	-
Butte	(1,721)	(64,627)	(62,906)		46,316		46,316	(16,590)
Calaveras	-	-	-				-	-
Colusa ²	(150,587)	(167,352)	(16,765)			170,000	-	(16,765)
Contra Costa	-	(689)	(689)				-	(689)
Del Norte	(97,191)	(54,803)	42,388				-	42,388
El Dorado	-	-	-				-	-
Fresno	-	-	-				-	-
Glenn	-	-	-				-	-
Humboldt	-	-	-				-	-
Imperial	-	-	-				-	-
Inyo	-	-	-				-	-
Kern	(27,433)	(27,433)	-				-	-
Kings	-	-	-				-	-
Lake	-	-	-				-	-
Lassen	-	-	-				-	-
Los Angeles	-	-	-				-	-
Madera	-	-	-				-	-
Marin	-	-	-				-	-
Mariposa	-	-	-				-	-
Mendocino	-	-	-				-	-
Merced	(500)	(199)	301				-	301
Modoc	-	-	-				-	-
Mono	(202,590)	(160,211)	42,379		20,000	140,210	20,000	62,379
Monterey	-	-	-				-	-
Napa	(500)	(500)	-				-	-
Nevada	-	-	-				-	-
Orange	-	(8,311)	(8,311)				-	(8,311)
Placer ²	(50,365)	(45,803)	4,562	50,350	45,803		(4,547)	15
Plumas	-	-	-				-	-
Riverside	-	-	-				-	-
Sacramento	4	(1,522)	(1,526)				-	(1,526)
San Benito	-	-	-				-	-
San Bernardino	-	-	-				-	-
San Diego	-	-	-				-	-
San Francisco	-	-	-				-	-
San Joaquin	-	-	-				-	-
San Luis Obispo	-	-	-				-	-
San Mateo ²	(400,000)	(208,123)	191,877			250,000	-	191,877
Santa Barbara	-	-	-				-	-
Santa Clara	-	-	-				-	-
Santa Cruz	-	-	-				-	-
Shasta	-	-	-				-	-
Sierra	(43,295)	(37,078)	6,217		37,078		37,078	43,295
Siskiyou	-	-	-				-	-
Solano	(183,965)	(183,965)	-		183,965		183,965	183,965
Sonoma	-	-	-				-	-
Stanislaus	-	-	-				-	-
Sutter	-	-	-				-	-
Tehama ²	-	(325,621)	(325,621)		175,000	151,538	175,000	(150,621)
Trinity	-	-	-				-	-
Tulare	(45,020)	(45,020)	-	45,020	45,020		-	-
Tuolumne	-	(3,048)	(3,048)				-	(3,048)
Ventura	-	-	-				-	-
Yolo	(842)	(842)	-				-	-
Yuba	(1,409)	(1,409)	-	1,409	1,409		-	-
Total	(2,005,414)	(1,737,127)	268,287	896,779	954,591	711,748	57,812	326,099

¹ Approved requests for TCTF funds held on behalf will be held in reserve in the TCTF account for courts that have indicated they will incur expenditures in future years

² Courts that have approved requests in excess of the final 1% fund balance cap reduction will need to submit an amended request that is equal to or less than their final 1% cap reduction.