



JUDICIAL COUNCIL OF CALIFORNIA

TRIAL COURT BUDGET
ADVISORY COMMITTEE

TRIAL COURT BUDGET ADVISORY COMMITTEE

MATERIALS FOR DECEMBER 13, 2018 TELECONFERENCE MEETING

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JUDICIAL COUNCIL OF CALIFORNIA

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tcbac@jud.ca.gov

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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: December 13, 2018
Time: 12:30 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

Approval of Minutes

Approve minutes of the October 11, October 18, and November 13, 2018 Trial Court Budget Advisory Committee meeting(s).

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 455 Golden Gate Avenue, San Francisco, CA, 94102, attention: Ms. Brandy Sanborn. Only written comments received by 12:00 p.m. on December 12, 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

Court-Appointed Dependency Counsel Allocation Methodology for Small Courts for 2019-20 (Action Required)

Consideration of Funding Methodology Subcommittee (FMS) recommendation on the two-year Bureau of Labor Statistics increase to 1.0 for all small courts that is due to sunset on June 30, 2019.

Presenter(s)/Facilitator(s): Ms. Audrey Fancy, Supervising Attorney, Center for Families, Children, and the Courts

Item 2

Base Funding Floor Inflationary Review (Action Required)

Consideration of FMS recommendation on increasing the base funding floor, currently set at \$750,000.

Presenter(s)/Facilitator(s): Ms. Leah Rose-Goodwin, Manager, Budget Services

IV. INFORMATION ONLY ITEMS (NO ACTION REQUIRED)

Info 1

Trial Court Budget Change Proposals

Discuss approach for trial court funding priorities for 2020-21 budget change proposals.

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

V. ADJOURNMENT

Adjourn



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TRIAL COURT BUDGET
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MINUTES OF OPEN MEETING

October 11, 2018
8:00 a.m. - 9:00 a.m.
Telephonic Meeting

Advisory Body Members Present: Judges: Hon. Jonathan B. Conklin (Chair), Hon. Jeffrey B. Barton, Hon. Daniel J. Buckley, Hon. Mark A. Cope, Hon. Jill C. Fannin, Hon. Kimberly A. Gaab, Hon. Teri L. Jackson, Hon. Gary Nadler, and Hon. Brian McCabe.

Executive Officers: Ms. Rebecca Fleming (Vice Chair), Ms. Sherri Carter, Mr. Chad Finke, Mr. Kevin Harrigan, Mr. Michael D. Planet, Mr. Michael M. Roddy, Ms. Linda Romero-Soles, Mr. Brian Taylor, Ms. Tania Ugrin-Capobianco, and Mr. David Yamasaki.

Judicial Council Staff Advisory Members: Mr. Zlatko Theodorovic

Advisory Body Members Absent: Hon. Andrew S. Blum, Hon. Charles Margines, Hon. B. Scott Thomsen, Ms. Kim Bartleson, Ms. Kim Turner, and Mr. John Wordlaw.

Others Present: Ms. Brandy Sanborn, Ms. Shelley Curran, and Ms. Heather Pettit.

OPEN MEETING

Call to Order and Roll Call

The chair called the meeting to order at 8:01 a.m. and took roll call.

Approval of Minutes

No meeting minutes to be reviewed and approved at this time.

INFORMATION ONLY ITEMS (NO ACTION REQUIRED)

Info 1 - 2018-19 Senate Bill 10 Pretrial Funding

Update on \$15 million pretrial funding to support implementation activities.

Presenter(s)/Facilitator(s): Hon. Jonathan B. Conklin, Chair, Trial Court Budget Advisory Committee
Ms. Shelley Curran, Director, Judicial Council Criminal Justice Services
Mr. Zlatko Theodorovic, Director, Judicial Council Budget Services

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:26 a.m.

Approved by the advisory body on enter date.



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TRIAL COURT BUDGET ADVISORY COMMITTEE

MINUTES OF OPEN MEETING

October 18, 2018

12:15 p.m. - 1:30 p.m.

JCC Boardroom, 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 A. Cope, Hon. Jill C. Fannin, Hon. Kimberly A. Gaab, Hon. Charles Margines, Hon. Gary Nadler, and Hon. B. Scott Thomsen.

Executive Officers: Ms. Rebecca Fleming (Vice Chair), Ms. Kim Bartleson, Ms. Sherri Carter, Mr. Chad Finke, Mr. Kevin Harrigan, Mr. Michael D. Planet, Mr. Michael M. Roddy, Ms. Linda Romero-Soles, 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: Hon. Brian McCabe, Hon. Teri Jackson, and Ms. Kim Turner.

Others Present: Ms. Lucy Fogarty, Ms. Leah Rose-Goodwin, Ms. Brandy Sanborn, Ms. Melissa Ng, and Ms. Donna Newman.

OPEN MEETING

Call to Order and Roll Call

The chair called the meeting to order at 12:18 p.m. and took roll call.

Approval of Minutes

The advisory body reviewed and approved the minutes of the July 31, August 7, and August 14, 2018 Trial Court Budget Advisory Committee meetings.

DISCUSSION AND ACTION ITEMS (ITEMS 1-2)

Item 1- AB 1058 Allocation Recommendation (Action Required)

Consideration of a report from the AB 1058 Funding Allocation Joint Subcommittee regarding the allocation methodology for the commissioner component of the child support program.

Presenter(s)/Facilitator(s): Hon. Mark A. Cope, Cochair, AB 1058 Funding Allocation Joint Subcommittee

Ms. Anna Maves, Supervising Attorney/AB 1058 Program Manager,
Judicial Council Center for Families, Children, & the Courts
Ms. Leah Rose-Goodwin, Manager, Judicial Council Budget Services

Action: The Trial Court Budget Advisory Committee unanimously approved for submission to the Judicial Council the AB 1058 Funding Allocation Joint Subcommittee recommendations with a modification to recommendation 2 language and insertion of recommendation 5 below:

1. Approve a new funding methodology for the AB 1058 child support commissioner program base funding that is workload based and employs the same workload and cost structures as WAFM described below and set forth in Attachment A.
2. Begin reallocating AB1058 child support commissioner program base grant funds based upon that methodology in fiscal year 2019-2020 as set forth in Attachment B and described below to ensure that funding changes are capped *at 5%* and smaller courts can continue to operate their programs.
3. Direct the Family and Juvenile Law Advisory Committee to review the implementation of the AB 1058 funding methodology, including its impact on the performance of the program as federally mandated.
4. Direct the Family and Juvenile Law Advisory Committee to make a recommendation for AB 1058 funding a minimum service level for smaller courts for fiscal year 2021-2022.
5. *Continue reallocation of funds every two years beginning with 2021-22 considering the recommendation of the Family and Juvenile Law Advisory Committee as presented to the Trial Court Budget Advisory Committee.*
6. Maintain the current funding methodology for the Family Law Facilitator program until fiscal year 2021-2022.
7. Direct the Family and Juvenile Law Advisory Committee to gather information and make recommendations to TCBCAC for fiscal year 2021-2022 on a funding methodology for Family Law Facilitators.
8. Direct the Family and Juvenile Law Advisory Committee to make recommendations concerning allocation of federal title IV-D draw down funds (to be matched by the trial courts) beginning in fiscal year 2019-2020 that allocate each court its proportion of the total funds up to the amount the court requests and is prepared to match.

Item 2- 2018-19 \$75 Million New Funding (Action Required)

Consideration of how the new funding impacts the Workload-based Allocation and Funding Methodology need.

Presenter(s)/Facilitator(s): Hon. Jonathan B. Conklin, Chair, Trial Court Budget Advisory Committee
Ms. Leah Rose-Goodwin, Manager, Judicial Council Budget Services

Action: The Trial Court Budget Advisory Committee unanimously approved the recommendation of the Judicial Council staff as below:

1. The \$3.6 million for cluster 1 courts to fund them at 100 percent of funding need should be reflected in the WAFM section of the allocation (yellow).
2. The \$0.8 million for court-provided, non-sheriff security should be reflected in the Other Allocations section (brown). Once the Resource Assessment Study has been updated to incorporate court reporters in family law into the model, the allocations should be reflected in the WAFM section of the allocation (yellow).
3. The \$10 million for court reporters in family law should be reflected in the Other Allocations section (brown) unless the court demonstrates that their family law court reporting services are fully staffed and the dollars become discretionary in nature. Under that circumstance, the allocation should be reflected in the WAFM section of the allocation (yellow).
4. The \$60.6 million identified as discretionary should be reflected in the WAFM section of the allocation (yellow).

INFORMATION ONLY ITEMS (INFO 1 - 4)

Info 1 - Workload-based Allocation and Funding Methodology (WAFM) Adjustment Request Process (ARP)

Provide a reminder of the ARP submission process as it relates to requesting or recommending a WAFM adjustment.

Presenter(s)/Facilitator(s): Hon. Daniel J. Buckley, Cochair, Funding Methodology Subcommittee Meeting
Ms. Rebecca Fleming, Cochair, Funding Methodology Subcommittee
Ms. Leah Rose-Goodwin, Manager, Judicial Council Budget Services

Info 2 - Trial Court Trust Fund (TCTF) Revenue Backfill Shortfall

Update Final update on the 2017-18 TCTF shortfall.

Presenter(s)/Facilitator(s): Ms. Donna Newman, Supervisor, Judicial Council Budget Services

Info 3 - Children's Waiting Room (CWR) Cap Adjustment

First annual report requirement of three trial court balances with cap adjustments.

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

Info 4 - Discussion

General Discussion

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

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:15 p.m.

Approved by the advisory body on enter date.



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TRIAL COURT BUDGET ADVISORY COMMITTEE

MINUTES OF OPEN MEETING

November 13, 2018
12:00 p.m. - 1:00 p.m.
Telephonic Meeting

Advisory Body Members Present: Judges: Hon. Jonathan B. Conklin (Chair), Hon. Jeffrey B. Barton, Hon. Andrew S. Blum, Hon. Daniel J. Buckley, Hon. Mark A. Cope, Hon. Jill C. Fannin, Hon. Teri L. Jackson, and Hon. Brian McCabe.

Executive Officers: Ms. Rebecca Fleming (Vice Chair), Ms. Kim Bartleson, Ms. Sherri Carter, Mr. Chad Finke, Mr. Kevin Harrigan, Mr. Michael D. Planet, Mr. Michael M. Roddy, Ms. Linda Romero-Soles, Ms. Kim Turner, Ms. Tania Ugrin-Capobianco, and Mr. David Yamasaki.

Judicial Council Staff Advisory Members: Mr. John Wordlaw and Mr. Zlatko Theodorovic

Advisory Body Members Absent: Hon. Kimberly A. Gaab, Hon. Charles Margines, Hon. Gary Nadler, Hon. B. Scott Thomsen, and Mr. Brian Taylor.

Others Present: Ms. Lucy Fogarty, Ms. Leah Rose-Goodwin, Ms. Brandy Sanborn, and Ms. Melissa Ng.

OPEN MEETING

Call to Order and Roll Call

The chair called the meeting to order at 12:05 p.m. and took roll call.

Approval of Minutes

No meeting minutes to be reviewed and approved at this time.

There was no written public comments submitted for this meeting.

DISCUSSION AND 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

Action: The Trial Court Budget Advisory Committee unanimously approved the Funding Methodology's recommendation to 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.

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

Action: The Trial Court Budget Advisory Committee unanimously approved the Funding Methodology's recommendation to 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.

A D J O U R N M E N T

There being no further business, the meeting was adjourned at 12:15 p.m.

Approved by the advisory body on enter date.

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

(Action Item)

Title: Court-Appointed Juvenile Dependency Counsel Funding Methodology Adjustment for Small Courts

Date: 12/4/2018

Contact: Audrey Fancy, Managing Attorney, Judicial Council Center for Families, Children & the Courts | Audrey.Fancy@jud.ca.gov | 415-865-7706

Issue

In May 2017, the Judicial Council acted on the recommendation of the Small Court Dependency Workload Working Group (SCDW) and modified the court-appointed dependency funding methodology with respect to small courts for two years¹. The two-year pilot is scheduled to sunset June 30, 2018.

Background

At its April 17, 2015 meeting, the Judicial Council approved several recommendations from the TCBCAC that directed the allocation of court-appointed counsel funding to the courts. The council approved a methodology for allocating the existing base funding of \$103,725,444 in 2014-15 based on each court's workload as calculated by the workload model for juvenile dependency and adjusted to available funding statewide ("workload-based funding"). The council decided to phase in the new allocation methodology with annual increases or reductions in fiscal years 2015-16, 2016-17, and 2017-18, and in 2018-19 all courts would receive an equivalent percentage of statewide funding as calculated by the workload model². Several issues remained pending during the reallocation process on the impact of the reallocation process on small courts.

In July 2016, the Judicial Council directed the Executive and Planning Committee to form a working group to consider changes to the court-appointed juvenile dependency counsel funding methodology as it relates to small courts³. The working group recommended that the funding methodology for small courts be modified for the next two years. The Judicial Council directed the Family and Juvenile Law Advisory Committee to consider a comprehensive update of the attorney workload data and time standards used in the current workload model, and permanent revisions to the funding methodology could follow from that update and subsequent steps directed by the Judicial Council.

In May 2017, the Judicial Council approved the recommendation of the SCDW as detailed below.

¹ <https://jcc.legistar.com/View.ashx?M=F&ID=5150554&GUID=7D8E5F4F-6D83-4C73-A246-4F11E877A411>

² <https://jcc.legistar.com/View.ashx?M=F&ID=4382676&GUID=E8BCCA8A-5DED-48C3-B946-6E21EBB0BEAF>

³ <https://jcc.legistar.com/View.ashx?M=F&ID=4572873&GUID=C33C7410-DDA2-451A-9004-024D84910504>

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- A. “Small courts” be defined as the 30 courts in California with the lowest child welfare caseloads. All of these courts have caseloads of fewer than 400 children in child welfare.
- B. “Smallest courts” be defined as the 23 smallest courts who were identified by the Judicial Council as exempt from reallocation-related budget reductions in fiscal year 2016-2017. All of these courts have caseloads of fewer than 200.
- C. “Larger courts” be defined as the 28 courts not in the “small courts” group.

The SCDW Working Group also recommended, effective July 1, 2017, that:

- 1. Modifications be made to the Judicial Council dependency counsel workload and funding methodology as detailed in Juvenile Dependency: Court-Appointed Dependency Counsel Workload and Funding Methodology (Apr. 1, 2016) for fiscal years 2017-2018 and 2018-2019⁴;
- 2. The 23 smallest courts continue to be exempt from reallocation-related budget reductions;
- 3. The Bureau of Labor Statistics employment and wages index that is less than 1.0 for any of the 30 small courts be adjusted to 1.0;
- 4. If the impact of these adjustments results in a small court being allocated more than 100 percent of the total need calculated through the workload and funding methodology, the court will receive an allocation equal to 100 percent of total need;
- 5. The budget increase for small courts related to recommendations 2 and 3 be offset by reducing the funding allocations of those larger courts receiving increases related to the ongoing reallocation; and
- 6. The \$100,000 reserve for caseload fluctuations in small courts be continued.

Staff Note

In determining caseload metrics, the small court methodology is consistent with the Judicial Council adopted workload methodology by using a three-year rolling average for filings and a three-year rolling average of child welfare data from the University of California, Berkeley’s Social Welfare Department. When Budget Services staff apply the methodology each year to determine allocations, there may be changes in the number and identity of courts identified as “small” (under 400 child welfare cases) and “smallest” (under 200 child welfare cases).

⁴ <https://jcc.legistar.com/View.ashx?M=F&ID=4382676&GUID=E8BCCA8A-5DED-48C3-B946-6E21EBB0BEAF>

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Options Considered

In addition to the proposed recommendations the FMS considered the following:

- I. Sunset the modifications made to the Judicial Council dependency counsel workload and funding methodology for fiscal years 2017-2018 and 2018- 2019;
- II. Extend the modifications for two more fiscal years (2019-20 and 2020-21);
- III. Adopt the changes as permanent beginning July 1, 2019.
- IV. Revisit the methodology as it relates to small courts only, with any changes effective July 1, 2019.
- V. No additional recommendations were identified by the subcommittee.

Recommendation

It is recommended that the Trial Court Budget Advisory Committee approve for submission to the Judicial Council the recommendation of the Funding Methodology Subcommittee recommends to adopt a modified option III, eliminating the word “permanent” as follows:

Adopt the changes on an ongoing basis beginning July 1, 2019.

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BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

(Action Item)

Title: Base Funding Floor Inflationary Review
Date: 12/3/2018
Contact: Leah Rose-Goodwin, Manager, Budget Services
415-865-7708 | leah.rose-goodwin@jud.ca.gov

Issue

The Funding Methodology Subcommittee (FMS) work plan states that every year the subcommittee shall “review the base and graduated funding floor amounts annually for presentation to the TCBAC in December, to determine whether an inflationary adjustment is needed.” The subcommittee reviewed the issue at its October 18, 2018 meeting and recommends that the Trial Court Budget Advisory Committee approve an increase to the base funding floor of \$50,000, which would increase the base funding floor to \$800,000. The FMS also recommended a change to the FMS work plan to reflect that the funding floor will be reviewed *at the request of* the applicable courts, rather than reviewed annually as stated in the work plan.

Background

When the Workload-based Allocation and Funding Methodology (WAFM) was first approved, a funding floor was established for the smallest courts based on the minimum staffing and operational costs needed to “open the doors.” This amount was established at \$750,000 and has not been adjusted since WAFM was first implemented.

In December 2017, the Judicial Council approved new policy parameters for WAFM for 2018-19 and beyond. Among the items that were reviewed as part of that report was the base funding floor. The base funding floor was analyzed to determine if an inflationary adjustment was necessary, but ultimately, the committee determined that an adjustment was unnecessary for 2018-19 and that the amount should be reviewed annually as part of the committee’s work plan.

October 18, 2018 Funding Methodology Subcommittee Meeting

The first annual review of the base funding floor took place at the October 18, 2018 FMS meeting. The memo that was presented for FMS’ consideration is at Attachment A.¹ The

¹ Please note that Table 1 has been corrected to input the salary and benefit values for staff; in copying the table to the memo, those formulas didn’t carry over. This correction does not revise the analysis or the recommendation.

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subcommittee approved the recommendation to approve an inflationary adjustment to the base funding floor, increasing it to \$800,000 for 2019-20.

The subcommittee also approved a slight modification to the language in the FMS work plan, which states that the base funding floor be reviewed annually to determine whether an inflationary adjustment is needed. The subcommittee's proposal is that the wording be updated to reflect that funding floor will be reviewed *at the request* of the applicable courts.

Recommendations

1. It is recommended that the Trial Court Budget Advisory Committee approve the work plan to reflect that the funding floor will be reviewed *at the request* of the applicable courts, rather than reviewed annually as stated in the work plan.
2. It is recommended that the Trial Court Budget Advisory Committee approve for submission to the Judicial Council the recommendation of the Funding Methodology Subcommittee to make an inflationary adjustment to the base funding floor, increasing it to \$800,000 beginning 2019-20.

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BUDGET SERVICES
Report to the Funding Methodology Subcommittee

(Action Item)

Title: Base Funding Floor Inflationary Review (Action Required)
Date: 10/18/2018
Contact: Leah Rose-Goodwin, Manager, Budget Services
415-865-7708 | leah.rose-goodwin@jud.ca.gov

Issue

The Funding Methodology Subcommittee (FMS) work plan states that every year, the subcommittee shall “review the base and graduated funding floor amounts annually for presentation to the TCBAC in December, to determine whether an inflationary adjustment is needed.” Two courts currently qualify for the base funding floor: the superior courts of Alpine and Sierra counties. Given that no inflationary adjustments have made to those courts’ WAFM allocations and costs have increased over time, it would be timely for the Funding Methodology Subcommittee to consider increasing the base funding floor to \$800,000. This is 7% more than the current base funding floor allocation of \$750,000.

Background

When the Workload-based Allocation and Funding Methodology (WAFM) was first approved, a funding floor was established for the smallest courts, based on the minimum staffing and operational costs needed to “open the doors.” The parameters for the funding floor are shown in table 1. Based on costs that were current at the time, the total allotment needed for 6.5 FTE personnel and associated operating expenses and equipment was \$394,203. This amount was rounded up to \$750,000 and has remained at that amount.

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BUDGET SERVICES
Report to the Funding Methodology Subcommittee

Table 1: Base Funding Floor Computation

Position Needed	"FTE" Count	Program 10 or 90?	Base FTE \$\$ Value	Salary Driven Benefit	Non Salary Driven Benefit	TOTAL Allotment for 'FTE'
	[a]	[b]	[c]	[d]	[e]	[f]=[c]+[d]+[e]
Court Executive Officer	1	90	\$ 115,576	\$ 36,347	\$ 10,702	\$ 162,625
Processing Clerk [1]	3	10	\$ 43,866	\$ 13,914	\$ 8,743	\$ 199,570
Administrative Support (HR/Fiscal)	1	90	\$ 43,866	\$ 13,795	\$ 10,702	\$ 68,363
Courtroom Clerk	1	10	\$ 43,866	\$ 13,914	\$ 8,743	\$ 66,523
Court Reporter	0.5	10	\$ 43,866	\$ 13,914	\$ 8,743	\$ 33,262
TOTAL PERSONNEL FLOOR	6.5					\$ 530,344
OE&E per FTE [2]						\$ 27,928
Total OE&E [3]=[2]*[a]						\$ 181,532
TOTAL FLOOR NEED						\$ 711,876
Round To (Manual Entry)						\$ 750,000

OE&E Validation:

Five Cluster 1 courts volunteered to review detailed actual operating expenses in an effort to identify those costs that reflected the cost of "opening" business. This analysis focused on identifying costs that must exist regardless of workload. Their results found that:

OE&E "Minimum Needed", Based on Detailed Review of Small Court \$ 168,204

In December 2017, the Judicial Council approved new policy parameters for WAFM for 2018–19 and beyond. Among the items that was reviewed as part of that report was the base funding floor. The base funding floor was analyzed to determine if an inflationary adjustment was necessary. Ultimately, the committee determined that an adjustment was unnecessary in 2018–19 but that the amount should be reviewed annually as part of the committee’s work plan.

The workplan states that the base funding floor be reviewed annually, but it is proposed that the wording be updated to reflect that funding floor will be reviewed only if requested by the applicable courts. That change is identified in the agenda item related to the FMS work plan. Along those lines, the court executive officers of Alpine and Sierra Superior Courts were contacted preceding this report to ask whether there was a need to update the funding floor.

The court executive officer and finance director of the Sierra Superior Court indicated a need for a funding floor adjustment. The court is under contract with a vendor for a badly-needed case management system upgrade. The annual cost of the upgrade represents about 13% of the court’s annual budget and the court has needed to make a number of operational adjustments and

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cutbacks to afford the contract cost. With courts unable to retain more than 1% in reserve funds, this somewhat modest investment in court technology infrastructure is nearly impossible to absorb for a court of Sierra’s size while the court is also funding personnel cost increases and increases in operating expenses and equipment. Those cost increases are reflected in the WAFM formula for calculating funding need, but the floor courts have not benefitted from those adjustments to the model since the base funding is allocated outside of the WAFM formula.

The court executive officer of the Alpine Superior Court noted that the court could continue to operate within the current funding floor but acknowledged that the situation at the Sierra Court might be different. Indeed, the two courts have very distinct numbers of filings, population levels, and other differentiating factors that might make their individual funding situations unique.

That being said, it would be appropriate for FMS to consider an inflationary adjustment to the base funding floor at this time. An inflationary increase of \$50,000 would be about a 7% increase; that represents the approximate change in the consumer price index for California from 2012-13 (the first year that WAFM went into effect) through 2017-18, using data from the state Department of Finance. The percent change for the Los Angeles region is 8.9% from 2012-13 to 2017-18 and the percent change for the San Francisco region is 14.1%.

Table 2: CPI indices, California 2012-13 to 2017-18

CONSUMER PRICE INDICES FOR ALL URBAN CONSUMERS (CPI-U)
LOS ANGELES CMSA AND SAN FRANCISCO CMSA
FISCAL YEAR AVERAGES a/
(1982-84=100)

Fiscal	Los Angeles	%	San Francisco	%
Year	CMSA	Change	CMSA	Change
2012-13	238.359	1.9	242.549	2.6
2013-14	240.654	1.0	248.330	2.4
2014-15	243.030	1.0	255.055	2.7
2015-16	247.130 R/	1.7	262.117 R/	2.8
2016-17	252.311	2.1	271.141	3.4
2017-18 f/	260.048	3.1	278.880	2.9

f/ May Revision Forecast, April 2018

Source: <http://www.dof.ca.gov/Forecasting/Economics/Indicators/Inflation/>

A change in the funding level provided may or may not impact court spending for the two floor courts; should one of the courts not require the additional funding, that portion of the allocation would revert back to the general fund at the end of the fiscal year. Over the past few years, the two floor courts have at various times reverted back some portion of their annual allocations.

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Recommendation

It is recommended that the FMS approve an inflationary adjustment to the base funding floor, increasing it to \$800,000 for 2019-20. Per FMS policy, the base funding floor will be reviewed next year at this time.

The recommendations of the FMS will be presented to the Trial Court Budget Advisory Committee for consideration.