



JUDICIAL COUNCIL OF CALIFORNIA

TRIAL COURT BUDGET
ADVISORY COMMITTEE

TRIAL COURT BUDGET ADVISORY COMMITTEE FUNDING METHODOLOGY SUBCOMMITTEE

MATERIALS FOR FEBRUARY 20, 2020

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JUDICIAL COUNCIL OF CALIFORNIA

TRIAL COURT BUDGET
ADVISORY COMMITTEE

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TRIAL COURT BUDGET ADVISORY COMMITTEE FUNDING METHODOLOGY SUBCOMMITTEE

NOTICE AND AGENDA OF OPEN IN-PERSON MEETING

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

THIS MEETING IS BEING RECORDED

Date: February 20, 2020
Time: 10:00 a.m. to 2:00 p.m.
Location: 455 Golden Gate Ave. 3rd floor, San Francisco, CA 94102; Sequoia Room
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 8, 2019 Funding Methodology Subcommittee meeting.

II. PUBLIC COMMENT (CAL. RULES OF COURT, RULE 10.75(K)(1)-(2))

In-Person Public Comment

Members of the public requesting to speak during the public comment portion of the meeting must place the speaker's name, the name of the organization that the speaker represents if any, and the agenda item that the public comment will address, on the public comment sign-up sheet. The sign-up sheet will be available at the meeting location at least one hour prior to the meeting start time. The cochair will establish speaking limits at the beginning of the public comment session. While the advisory body welcomes and encourages public comment, time may not permit all persons requesting to speak to be heard at this meeting.

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, 2850 Gateway Oaks Drive, Suite 300, Sacramento, CA 95833, attention: Mr. Zlatko Theodorovic. Only written comments received by 10:00 a.m. on February 19, 2020 will be provided to advisory body members prior to the start of the meeting.

III. DISCUSSION AND POSSIBLE ACTION ITEMS (ITEMS 1-3)

Item 1

Operating Expenses and Equipment (OE&E) Review (Action Required)

Discuss findings of extensive review of OE&E for inclusion in the Workload Formula.

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

Item 2

Cluster 2 Findings (Action Required)

Discuss findings regarding cluster 2.

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

Item 3

Court Interpreters Program (CIP) Funding Shortfall and Update on Methodology (Action Required)

Consider a recommendation to address a projected 2020-21 funding shortfall in the Court Interpreters Program, which includes an update on the status of the Interpreter Ad Hoc Subcommittee on its charge to continue its development of a methodology that addresses anticipated, ongoing funding shortfalls and review existing methodologies.

Presenter(s)/Facilitator(s): Mr. Catrayel Wood, Sr. Budget Analyst, Budget Services

Item 4

Allocation Methodology of Trial Court Funding in 2020-21 Governor's Budget (Action Required)

Consider recommendation on methodologies to allocate trial court funding included in 2020-21 Governor's Budget.

Presenter(s)/Facilitator(s): Ms. Brandy Sanborn, Manager, Budget Services

Item 5

Workload Formula Adjustment Request Process (ARPs) (Action Required)

Discuss two ARPs submitted to the Judicial Council Administrative Director.

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

Item 6

Funding Methodology Subcommittee Work Plan (Action Required)

Discuss updates to the Funding Methodology Subcommittee Work Plan.

Presenter(s)/Facilitator(s): Mr. Zlatko Theodorovic, Chief Financial Officer and Director, Budget Services

IV. ADJOURNMENT

Adjourn



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TRIAL COURT BUDGET
ADVISORY COMMITTEE

TRIAL COURT BUDGET ADVISORY COMMITTEE

FUNDING METHODOLOGY SUBCOMMITTEE

MINUTES OF OPEN MEETING

October 8, 2019

11:30 a.m. - 2:00 p.m.

Tower Room B, 2850 Gateway Oaks Drive, Sacramento, CA 95833

Advisory Body Members Present: Judges: Hon. Daniel J. Buckley (Cochair), Hon. Mark Ashton Cope, Hon. Patricia L. Kelly, and Hon. B. Scott Thomsen.

Executive Officers: Ms. Rebecca Fleming (Cochair), Ms. Sherri R. Carter, Ms. Nancy Eberhardt (phone), Mr. Michael D. Planet, Mr. Neal Taniguchi, and Mr. David Yamasaki.

Advisory Body Members Absent:

Others Present: Mr. Zlatko Theodorovic, Ms. Lucy Fogarty, Ms. Brandy Sanborn, Ms. Michele Allan, Ms. Leah Rose-Goodwin, Ms. Angela Guzman, and Ms. Donna Newman.

OPEN MEETING

Call to Order and Roll Call

The cochairs called the meeting to order at 11:36 a.m., introduced and welcomed the new members, and took roll call.

Approval of Minutes

The subcommittee reviewed and approved the minutes of the June 17, 2019 Funding Methodology Subcommittee (FMS) meeting.

DISCUSSION AND ACTION ITEMS (ITEMS 1-3)

Item 1 – Methodology for Reallocation of Workload Formula Funds (Action Required)

Discuss a methodology for reallocation of Workload Formula funds in years of no new money.

Presenter(s)/Facilitator(s): Ms. Michele Allan, Supervisor, Budget Services

Action: The FMS voted unanimously to forward the following recommendations for consideration by the Trial Court Budget Advisory Committee (TCBAC) at its November 21, 2019 meeting; with change of word from 'other year' to 'second year' in item C:

A. Specify that the methodology for the first 50 percent allocation of new funding to courts below the statewide average be scaled by courts' distance from the statewide average and size based on the courts' Workload Formula need;

B. Include an exception for consistency purposes to allow the 2020-21 funding provided in the 2019 Budget Act for support of the 25 judgeships apply the same allocation methodology used for 2019-20; and

C. Specify that the reallocation of funding for every second year in which no new money is provided be based on beginning Workload Formula allocation, distributed to courts via distance from statewide average and size based on Workload Formula need, and in the following sequence:

- i. Up to 1 percent reduction for courts above the 2 percent band to courts below the 2 percent band.
- ii. Up to 2 percent reduction for courts above 105 percent of funding need to courts below the 2 percent band.
- iii. Courts above 105 percent of funding need will not fall below 104 percent of funding need.
- iv. Courts that penetrate into the band following the up to 1 percent reallocation will not be eligible for additional funding.

Item 2 - Distribution of the Fee for Court Reporter Services in Civil Proceedings Lasting More Than One Hour (Action Required)

Discuss distribution of the court reporter fee assessed pursuant to Government Code 68086(a)(2).

Presenter(s)/Facilitator(s): Ms. Brandy Sanborn, Manager, Budget Services

Action: The FMS voted unanimously to forward the following recommendations for consideration by the TCBCAC at its November 21, 2019 meeting:

1. GC 68086(a)(2) fees, deposited into the TCTF, to be distributed back to trial courts on a dollar-for-dollar basis beginning July 1, 2020; and
2. Exclude court reporter fees in civil proceedings for one hour or more as a funding category in the Workload Formula.

Item 3 - El Dorado Superior Court Workload Formula Adjustment Request (Action Required)

Discuss the Workload Formula Adjustment Request submitted by El Dorado Superior Court.

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

Action: The FMS voted unanimously to forward the following recommendation for consideration by the TCBCAC at its November 21, 2019 meeting:

Deny the Workload Formula Adjustment Request submitted by El Dorado Superior Court requesting that the Workload Formula be adjusted to account for operating multiple locations.

In addition, the FMS voted unanimously to have the cochairs recommend to the chair of TCBCAC that the request submitted by El Dorado Superior Court be provided to the Workload Assessment Advisory Committee for consideration.

INFORMATION ONLY ITEMS (NO ACTION REQUIRED)

Info 1 - Annual Base Funding Floor Review

Update regarding the annual review of the base funding floors in the Workload Formula.

Presenter(s)/Facilitator(s): Ms. Michele Allan, Supervisor, Budget Services

Action: No action required.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:44 p.m.

Approved by the advisory body on enter date.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Funding Methodology Subcommittee

(Action Item)

Title: Review of General Ledger Accounts for Inclusion in Workload Formula
Date: 2/3/2020
Contact: Leah Rose-Goodwin, Manager
Office of Court Research, Business Management Services

Issue

The branch's workload formula computes the total resources needed for trial court workload using the Resource Assessment Study (RAS) model and compares that to the total funding allocated for the same purpose. Following the general ledger review that was conducted last year to confirm that all revenue sources matched the "need" side of the workload formula, the small working group that conducted that work on behalf of the Funding Methodology Subcommittee recommended that a subsequent review of the accounts used in the OE&E (Operating Expenses and Equipment) calculation be conducted, as they had not been reviewed nor changed since the workload formula was first approved in 2013. Also, the expedited timeline for that process did not allow enough time to review some of the accounts, so several were noted as "pending" or requiring "further review" but no review has been conducted until now.

In addition to taking action on that issue, this memo provides information on two issues following the general ledger review that took place last year.

Operating Expenses and Equipment Computation Analysis

The OE&E calculation is used to assess a per full-time equivalent (FTE) overhead amount to account for expenditures that should be included as part of the workload formula, but that are not personnel nor benefit costs.

A small group of Chief Financial Officers and other Finance staff from courts throughout the state (Contra Costa, Orange, Monterey, Los Angeles, Lake and Tehama) convened multiple times over the past year by teleconference to establish a set of decision principles for review and to analyze and discuss the hundreds of account codes that make up the OE&E calculation. Attachment A summarizes the approach the group took to the work and attachment B shows the various accounts where the recommendation differs from the current designation in the workload formula.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Funding Methodology Subcommittee

As can be seen in the write up, one of the biggest areas of difficulty experienced by the reviewers was assessing one-time versus ongoing expenses. In principle, one-time expenditures, such as replacing a case management system, should be excluded from the OE& calculation. But many expenses are not as easy to categorize as either one time or ongoing, and the coding used to designate one time versus ongoing expenses is not being used consistently across courts. Therefore, the group also recommends that a larger project, to be administered by the Court Executives Advisory Committee and partnering with the Judicial Council's Trial Court Administrative Services division, be instituted to create new account codes for one-time expenses and to regularly audit and update the use of account codes. Any proposed changes that impact the workload formula calculations would be brought back to this body for approval and recommendation to the Trial Court Budget Advisory Committee, and, in turn, the Judicial Council.

The group also reviewed a recommendation made previously by FMS to apply the estimated California statewide CPI to the OE&E estimate, using fiscal year data from the State Department of Finance. The group agreed that use of the state CPI factor appeared fair and although there were no major concerns, consideration should be given to future calculations in order to apply the factor more appropriately.

Follow up to General Ledger Review

As a follow up to the general ledger review conducted last year, the branch's Trial Court Administrative Services division has identified a few updates to the Phoenix general ledger that require review and a decision on whether to include these items in the workload formula calculation. It is recommended that the small subcommittee of FMS be convened to review these accounts and make a recommendation to TCBAC at its March 2020 meeting for inclusion in the 2020-2021 allocation process¹

Finally, as an informational item, the Judicial Council Trial Court Administrative Services Division (TCAS) has proposed an approach to reviewing and implementing some standardization in the use of the general ledger "local fees" accounts, working through CEAC to develop a recommendation for the use of the accounts. Those changes would then be brought to FMS and TCBAC for review and consideration as to whether they should be part of the workload formula. This is an informational item only and requires no current action from the subcommittee.

¹ The recommendation will be made directly to TCBAC since FMS does not have a planned meeting until Fall 2020.

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BUDGET SERVICES
Report to the Funding Methodology Subcommittee

Recommendation

FMS should consider adopting the recommendations made by the OE&E review group as follows:

1. Include or exclude the accounts as recommended and make any necessary adjustment for the revenue accounts; and
2. Recommend that the Court Executives Advisory Committee and the JCC Trial Court Administrative Services division include these accounts as part of existing efforts to standardize usage of the chart of accounts; and
3. Review WBS elements periodically for new WBS elements added / eliminated each year; and
4. Recommend that TCAS create a new GL specifically for Civil Transcripts so that it can be aligned with revenue for this workload. Currently, the GL being used for transcripts does not differentiate between criminal and civil.

ATTACHMENT A
RECOMMENDATIONS FOR CHANGES TO FUNDS

REVIEW OF FUNDS USED BY THE COURTS IN FY 16/17 AND FY 17/18

Funds	Fund Description	Current JCC Designation	Change Recommended	Exceptions/Notes
120002	Donation	Pending	Excluded	Revenue GLs are excluded. Donations are used for specific purposes. (e.g. juror enrichment and juror appreciation)
120005	Grand Jury	Further Review	Excluded	Majority of the expenses are county responsibility offset by county revenue. Expenses related to Grand Jury that are a court responsibility such as advertisement should be posted to the court's general fund.
120009	Other County Svc - Pgm -Restricted	Further Review	Excluded	Offset by county revenue.
120013	Public Access	Not Reviewed	Excluded	Align with the revenue recommendations.
120020	Court Facilities Maintenance Fund	Further Review	Excluded	Offset by revenue from the Judicial Council.
120012	Traffic Violator Fee	Included	Excluded	Align with the revenue recommendations. Offsetting revenue stream
190200	Federal Grant	Included	Excluded	Align with revenue recommendation. Expenses should be offset by revenue.
190300	State Grant	Included	Excluded	Align with revenue recommendation. Expenses should be offset by revenue.
190400	Local Govt. Grant	Included	Excluded	Align with revenue recommendation. Expenses should be offset by revenue.
190500	Private Grant	Included	Excluded	Align with revenue recommendation. Expenses should be offset by revenue.

New Recommendation
 Recommendation to Change

**ATTACHMENT B
RECOMMENDATIONS FOR PECT**

REVIEW OF PECTS USED BY THE COURTS IN FY 16/17 AND FY 17/18

PECT	Description	Current JCC Designation	Change Recommended	Notes
1100	Judges and Courtroom Support	Not reviewed	Included	
1211	Traffic and Other Infractions	Not reviewed	Included	
1212	Criminal	Not reviewed	Included	
1220	Civil	Not reviewed	Included	
1231	Families and Children Services	Not reviewed	Included	
1232	Probate, Guardianship	Not reviewed	Included	
1233	Juvenile Dependency Services	Not reviewed	Included	
1234	Juvenile Delinquency Services	Not reviewed	Included	
1310	Other Courtroom Operations	Not reviewed	Included	
1320	Court Interpreters	Not reviewed	Included	
1330	Jury Services	Not reviewed	Included	
1340	Security	Not reviewed	Excluded	Security revenue adjusted out of the calculation; aligns expenses to funds.
2110	Enhanced Collections	Not reviewed	Excluded	Align with revenue recommendation. All expenses are cost recoverable.
2120	Other Non-Court Operations	Not reviewed	Included	
9100	Executive Office	Not reviewed	Included	
9200	Fiscal Services	Not reviewed	Included	
9300	Human Resources	Not reviewed	Included	
9400	Business and Facilities Services	Not reviewed	Included	
9500	Information Technology	Not reviewed	Included	
9600	Distributed Administration	Not reviewed	Included	

**ATTACHMENT C
RECOMMENDATIONS FOR WBS ELEMENTS**

WBS to exclude	Name of Funded Programs
G-BA1058-1-FY	40031-AB1058 FAMILY LAW FACILITATOR
G-BA1059-1-FY	40031-AB1058 CHILD SUPPORT COMMISSIONER
G-BA1061-1-FY	40033 - ACCESS TO VISITATION
G-BA1063-1-FY	47033-MODEL SELF HELP PROGRAM
G-BA1065-1-FY	47032-FAMILY LAW INFORMATION CENTER
G-BA1077-1-FY	40058-AUTH TO ADMIN PSYCHOTROPIC MEDICAT
G-BA1080-1-FY	CIGP
G-BA1080-2-FY	CIGP
G-BA1080-3-FY	CIGP
G-BA1080-4-FY	CIGP
G-BA1080-5-FY	CIGP
M-BA01-2FY	CALIFORNIA JUSTICECORPS OF SAN MATEO
M-BA02-2FY	SHOWCASE DMS AND DESKTOP SCANNERS
M-BA16-2FY	ADMIN SUPPORT UNIT EDUCATIONAL ASSISTANCE
M-BA23-2FY	CALIFORNIA JUSTICECORPS OF SAN FRANCISCO
M-BA24-2FY	CALIFORNIA JUSTICE CORPS OF CONTRA COSTA
M-BA42-2FY	DUALLY INVOLVED YOUTH INITIATIVE
M-BA47-1FY	CIVIL CMS REPLACEMENT
M-BA48-1FY	MADERA MANAGED SERVICES TRANSITION
M-BA49-1FY	BCP FUNDING-CMS CONVERSION

BA= Business Area (varies by Court location)

FY = Fiscal Year Designation

Include G-BA3005-1-FY parolee reentry program

Include M-BA02-1FY Self Help Center

**ATTACHMENT D
RECOMMENDATIONS FOR CHANGES TO GL ACCOUNTS**

GL Account Number	Expense Detail Account Name	Court-Specific Code Account Name	Court-Specific Code Description	Current JCC Designation	Change Recommended	Notes
920301	Fees/Permits	Merchant Fees	Credit card fees.	Included (Default)	Exclude	Align with revenue; previous recommendation to exclude revenue (Revenue GL 861013)
972299	Grand Jury Costs	Grand Jury Costs	Costs associated with a Grand Jury.	Included	Exclude	Align with revenue and fund. (Revenue GL 841012 and Fund 120005)
938514	Court Interpreter Services	Court Interpreter-Language Line-Non Court	Used to record court interpreter services received over the phone for non court appearances (i.e., at the counter). These expenses are not reimbursable under court interpreter program 45.45.	Excluded	Include	Non-reimbursable on-going expenses funded by the courts.
938599	Court Interpreter Services	Court Interpreter Services	May be used in lieu of the individual court specific codes within such corresponding expense detail code. Note: Expenses reimbursed by Judicial Council should be recorded in accounts identified as a reimbursement account.	Excluded	Included	Non-reimbursable on-going expenses funded by the courts.
965106	Juror Costs	Meals (Non Sequestered Jurors)	Meals for non-sequestered jurors.	Excluded	Included	Non-reimbursable on-going expenses funded by the courts.

Financial Subject Matter Expert (SME) General Ledger (GL) Use Review for Funding Methodology Subcommittee

OPERATING EXPENSES AND EQUIPMENT (OE&E) GL USE

General Comments:

- The Financial SME Team (Team) reviewed expenditure data provided from JCC staff for FY 2016-17 and 2017-18. The team reviewed the expenditures by fund, program-element-component-task (PECT) functional area, GL account, and work breakdown structure (WBS) element project code. The review encompassed 28 funds, 20 PECTS, 461 expenditure GLs, and 978 WBS elements.
- Similar to the experience when reviewing and making a recommendation for the revenue GLs, it has been a challenge to make general recommendations by individual OE&E fund, PECT, GL accounts, and WBS elements because of the variation in usage by the 58 trial courts. In order for the calculation to be applied equitably, the committee should consider whether chart of accounts usage should be standardized for use by the courts. This analysis should assess the impact of standardization as well as the impact of these changes on courts' financial reporting, including impacts for historical usage comparisons, which are often used for budgeting and forecasting.

Some pros and cons of this effort are noted below for consideration:

- **Pros:**
 - Improved reporting capability at the state level. Trial courts are moving towards improved data analytics/Business Intelligence. Standardization of use of accounts would improve the underlying data for future comparison and analysis.
 - Categorization of GLs would be improved for Workload Funding (WF) calculation purposes.
- **Cons:**
 - Courts would have difficulty with historical comparisons and may need to footnote and map changes manually. This change may increase the potential for errors.
 - May reduce local control / discretion over court budgeting structure/practices
 - Timing should be considered; would this type of standardization take time (is more analysis needed on impacts to courts) and should it be integrated with the Phoenix upgrade project (currently underway with JCC)?

Approach / Recommendations:

- Please refer to the attachments that reflect more detail related to the recommendations for Fund, PECT, WBS, and GL with a comparison to the original JCC categorization. The Team provided an include/exclude recommendation based upon court-wide usage of the funds/PECTs/WBS/GL during FY 16/17 and 17/18.

Fund - Recommendations were made where the JCC reflected pending, further, or not reviewed for five funds, and changes were made to the recommendations for five funds, including federal/state/local/and private grants. A comprehensive listing of funds can be found in Attachment A.

Funds	Fund Description	SME Recommendation	Current JCC Recommendation	Exceptions/Notes
120002	Donation	Excluded	Pending	Revenue GLs are excluded. Donations are used for specific purposes. (e.g. juror enrichment and juror appreciation)
120005	Grand Jury	Excluded	Further Review	Majority of the expenses are county responsibility offset by county revenue. Expenses related to Grand Jury that are a court responsibility such as advertisement should be posted to the court's general fund.
120009	Other County Svc - Pgm -Restricted	Excluded	Further Review	Offset by county revenue.
120013	Public Access	Excluded	Not Reviewed	Align with the revenue recommendations.
120020	Court Facilities Maintenance Fund	Excluded	Further Review	Offset by revenue from the Judicial Council.
120012	Traffic Violator Fee	Excluded	Included	Align with the revenue recommendations. Offsetting revenue stream
190200	Federal Grant	Excluded	Included	Align with revenue recommendation. Expenses should be offset by revenue.
190300	State Grant	Excluded	Included	Align with revenue recommendation. Expenses should be offset by revenue.
190400	Local Govt. Grant	Excluded	Included	Align with revenue recommendation. Expenses should be offset by revenue.
190500	Private Grant	Excluded	Included	Align with revenue recommendation. Expenses should be offset by revenue.

PECT – Although PECT has not been used for the calculation in the past, the Team recommends the exclusion of the Collection Enhancement PECT 2110 to ensure that collection related expenses align with the revenue recommendation for cost recovery and exclusion of PECT 1340, to ensure that specific security expenses align with the adjustment to the security funding that occurs prior to the WF calculation. All other PECTS were reviewed and recommended to be included. All PECTS are listed below and included in Attachment B:

PECT	Description	SME Recommendation	JCC Recommendation
1100	Judges and Courtroom Support	Included	Not reviewed
1211	Traffic and Other Infractions	Included	Not reviewed
1212	Criminal	Included	Not reviewed
1220	Civil	Included	Not reviewed
1231	Families and Children Services	Included	Not reviewed
1232	Probate, Guardianship	Included	Not reviewed
1233	Juvenile Dependency Services	Included	Not reviewed
1234	Juvenile Delinquency Services	Included	Not reviewed
1310	Other Courtroom Operations	Included	Not reviewed
1320	Court Interpreters	Included	Not reviewed
1330	Jury Services	Included	Not reviewed
1340	Security	Excluded	Not reviewed
2110	Enhanced Collections	Excluded	Not reviewed
2120	Other Non-Court Operations	Included	Not reviewed
9100	Executive Office	Included	Not reviewed
9200	Fiscal Services	Included	Not reviewed
9300	Human Resources	Included	Not reviewed
9400	Business and Facilities Services	Included	Not reviewed
9500	Information Technology	Included	Not reviewed
9600	Distributed Administration	Included	Not reviewed

WBS Element (Grants and MOUs) – The Team made recommendations to exclude 20 Grant and MOU programs listed below primarily because the expenses reflected in these projects are offset by revenue and/or the funding need is being addressed by another committee (ie AB1058). The detail of the WBS elements assigned to the Grant and MOU programs is contained in Attachment C.

WBS to exclude	Name of Funded Programs
G-BA1058-1-FY	40031-AB1058 FAMILY LAW FACILITATOR
G-BA1059-1-FY	40031-AB1058 CHILD SUPPORT COMMISSIONER
G-BA1061-1-FY	40033 - ACCESS TO VISITATION
G-BA1063-1-FY	47033-MODEL SELF HELP PROGRAM
G-BA1065-1-FY	47032-FAMILY LAW INFORMATION CENTER
G-BA1077-1-FY	40058-AUTH TO ADMIN PSYCHOTROPIC MEDICAT
G-BA1080-1-FY	CIGP
G-BA1080-2-FY	CIGP
G-BA1080-3-FY	CIGP
G-BA1080-4-FY	CIGP
G-BA1080-5-FY	CIGP
M-BA01-2FY	CALIFORNIA JUSTICECORPS OF SAN MATEO
M-BA02-2FY	SHOWCASE DMS AND DESKTOP SCANNERS
M-BA16-2FY	ADMIN SUPPORT UNIT EDUCATIONAL ASSISTANCE
M-BA23-2FY	CALIFORNIA JUSTICECORPS OF SAN FRANCISCO
M-BA24-2FY	CALIFORNIA JUSTICE CORPS OF CONTRA COSTA
M-BA42-2FY	DUALY INVOLVED YOUTH INITIATIVE
M-BA47-1FY	CIVIL CMS REPLACEMENT
M-BA48-1FY	MADERA MANAGED SERVICES TRANSITION
M-BA49-1FY	BCP FUNDING-CMS CONVERSION

WBS Element (O Project) – In an attempt to further analyze one-time versus recurring expenses, the Team looked at O-projects and the feasibility of excluding one-time costs based on utilization of O-projects. Close to 600 O-projects were reviewed; however, the Team noted there is such a wide variation in the use of O-projects, that an exclusion due to use of the O project may inequitably adjust the total expenses included in the WF calculation. More specifically, when the team excluded O-projects established for one-time costs per court, the percentage of OE&E excluded for each court ranged from 0% to over 21%. This analysis further supports our assumption that the O-projects are not being used consistently.

The Team noted that using O-projects to exclude one-time costs could be further explored if they are consistently used and standardized for identifying and tracking one-time costs, for example, by requiring one-time WBS Elements to have an alpha-numeric sequence that is defined as one-time. Enforcing usage of these types of O-projects may prove to be a challenge. Additionally, if WBS Elements are being used for project tracking purposes, requiring 1-time costs to be posted to certain WBSes could be in conflict and prevent courts from being able to use the WBS Elements as they were intended.

As another option for tracking certain one-time costs, a series of GLs could be created. This would prevent issues with conflicting WBS Elements; however, the consistent use

of the GLs by all courts for the defined one-time costs remains a concern. New GLs could be created under the Capital Cost series (GL 983100), that are specifically for CMS implementation, Rule 810 unallowable expenses, and other non-recurring facilities costs. However, if the new GL series is created and the use of the GL is presented as a guideline as opposed to a mandate, there is a risk of misstating OE&E included in the calculation. JCC GL leads or some other oversight panel may need to be created to ensure that the GLs are being used appropriately.

GL - For each GL account, the financial SME group provided an “include or exclude” recommendation based upon each court’s current use of that GL account. This review included categorizing and making general recommendations for the expenses posted to these GL accounts in FY 16/17 and 17/18. Changes are being recommended for 5 expenditure GLs reflected below with justification listed in the notes column Attachment D.

GL Account Number Col. A	Expense Detail Account Name Col. B	Court-Specific Code Account Name Col. C	Court-Specific Code Description Col. D	SME Recommendation Col. E	WAFM OE&E Designation Col. F	Notes Col. G
920301	Fees/Permits	Merchant Fees	Credit card fees.	Excluded	Included (Default)	Align with revenue; previous recommendation to exclude revenue (Revenue GL 861013)
972299	Grand Jury Costs	Grand Jury Costs	Costs associated with a Grand Jury.	Excluded	Included	Align with revenue and fund. (Revenue GL 841012 and Fund 120005)
938514	Court Interpreter Services	Court Interpreter-Language Line-Non Court	Used to record court interpreter services received over the phone for non court appearances (i.e., at the counter). These expenses are not reimbursable under court interpreter program 45.45.	Included	Excluded	Non-reimbursable on-going expenses funded by the courts.
938599	Court Interpreter Services	Court Interpreter Services	May be used in lieu of the individual court specific codes within such corresponding expense detail code. Note: Expenses reimbursed by Judicial Council should be recorded in accounts identified as a reimbursement account.	Included	Excluded	Non-reimbursable on-going expenses funded by the courts.
965106	Juror Costs	Meals (Non Sequestered Jurors)	Meals for non-sequestered jurors.	Included	Excluded	Non-reimbursable on-going expenses funded by the courts.

In addition to the changes above, the Team recommends that a new GL be created specifically for Civil Transcripts. The GL for Civil transcripts should be excluded to align with the revenue recommendation (GL 861012). Currently, the GL being used for transcripts does not differentiate between criminal and civil. Many Courts use funds 110001 and 120001 as a mechanism to track criminal (110001) and Civil (120001); however, if the funds are to be merged, there will be no way to track this. Creating a GL specifically for civil transcripts, if used appropriately, will resolve the issues. The net impact will be the expenses recorded for criminal transcripts will be included as a part of the calculation, while the civil revenue and expenses will be offsetting. The only costs included in this GL are for transcript costs.

Revenue Adjustments

As a part of this review, the Team re-considered revenue accounts during the expense discussion. In those instances where the revenue recommendations need to change as a result of the discussion, they are listed below:

Small Claims Advisory (841010) – Recommendation is to change the revenue GL from include to exclude to align with the expense recommendation.

Options to Consider for approach:

1. Adopt the Financial SME Team's recommendations to include or exclude for the fund / PECT / WBS and expenditure GL accounts reviewed, and re-adjust for the revenue GLs.
2. Consider whether standardization of all chart of accounts use is needed and analyze the potential impacts to courts.
3. Review WBS elements periodically for new WBS elements added / eliminated each year.
4. Research whether the elimination of fund 120001 will impact the calculation; some courts use fund 120001 to distinguish revenue streams that are not a part of the TCTF distribution (ie transcripts)

APPLICATION OF CONSUMER PRICE INDEX (CPI) INDEX FACTOR TO WF CALCULATION

Funding Methodology Subcommittee (FMS) Recommendation

The committee recommends that the estimated California statewide CPI be applied to the OE&E estimate. The calculation will be done with fiscal year data from the State Department of Finance. Estimates will be used if complete data are not available at the time that allocation decisions are made and then adjusted as needed the following year.

General Comments/Observations:

The group noted that the recommended approach is appropriate for initial implementation. The group agreed that use of the state CPI factor appeared fair and although there were no major concerns, consideration should be given to future calculations in order to apply the factor more appropriately.

Options for Consideration:

1. Regional / area adjustments – Because CPI has variations by area / region, future consideration should be given to applying CPI that is published by region / metropolitan area / city.
2. Separation of goods / services – There may be value in exploring a more complex break down of the application of CPI between goods and services components. The group noted that this would be a lengthy effort, however, and poses potential risk in terms of coding consistency throughout the state.
3. Salary and Benefits – The group notes that the salary and benefits data that is used for RAS is outdated by the time funds are allocated to trial courts. Although state funding is provided for medical and retirement benefits, and recognizing that this benefits funding stream will no longer be funded in arrears, future consideration should be given for an adjustment factor to ensure the percentage need per FTE is appropriately reflected.
4. If the Trial Court Funding Stabilization BCP that will be submitted to the JCC is approved, consideration should be given as to whether a CPI adjustment is appropriate to determine funding need.

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(Action Item)

Title: Cluster Analysis
Date: 2/3/2020
Contact: Kristin Greenaway
Supervising Analyst, Budget Services

Issue

At its May 21, 2018, FMS subcommittee members approved a staff recommendation on how to address the workplan item to *evaluate the cluster 2 Bureau of Labor Statistics and small court adjustment contributions*. Staff recommended looking at the item in two ways: (1) to review clustering overall to determine if the current clusters are still the appropriate groupings to use, and (2) to review cluster 2 specifically to identify any factors that may play a role in how the workload model impacts cluster courts.

Background

The current four-cluster model was developed in the early 2000s. It was primarily informed based on the number of Authorized Judicial Positions (AJP). Courts were ranked by their number of AJP's first, and then grouped into four clusters. Cluster boundaries were created based on a clear break in the number of AJPs. The smallest of the 58 trial courts, those with two AJPs, comprised cluster 1 courts. The remaining three clusters were identified based on natural breaks—or jumps—in total number of AJPs.

1) Overall Cluster Grouping Analysis

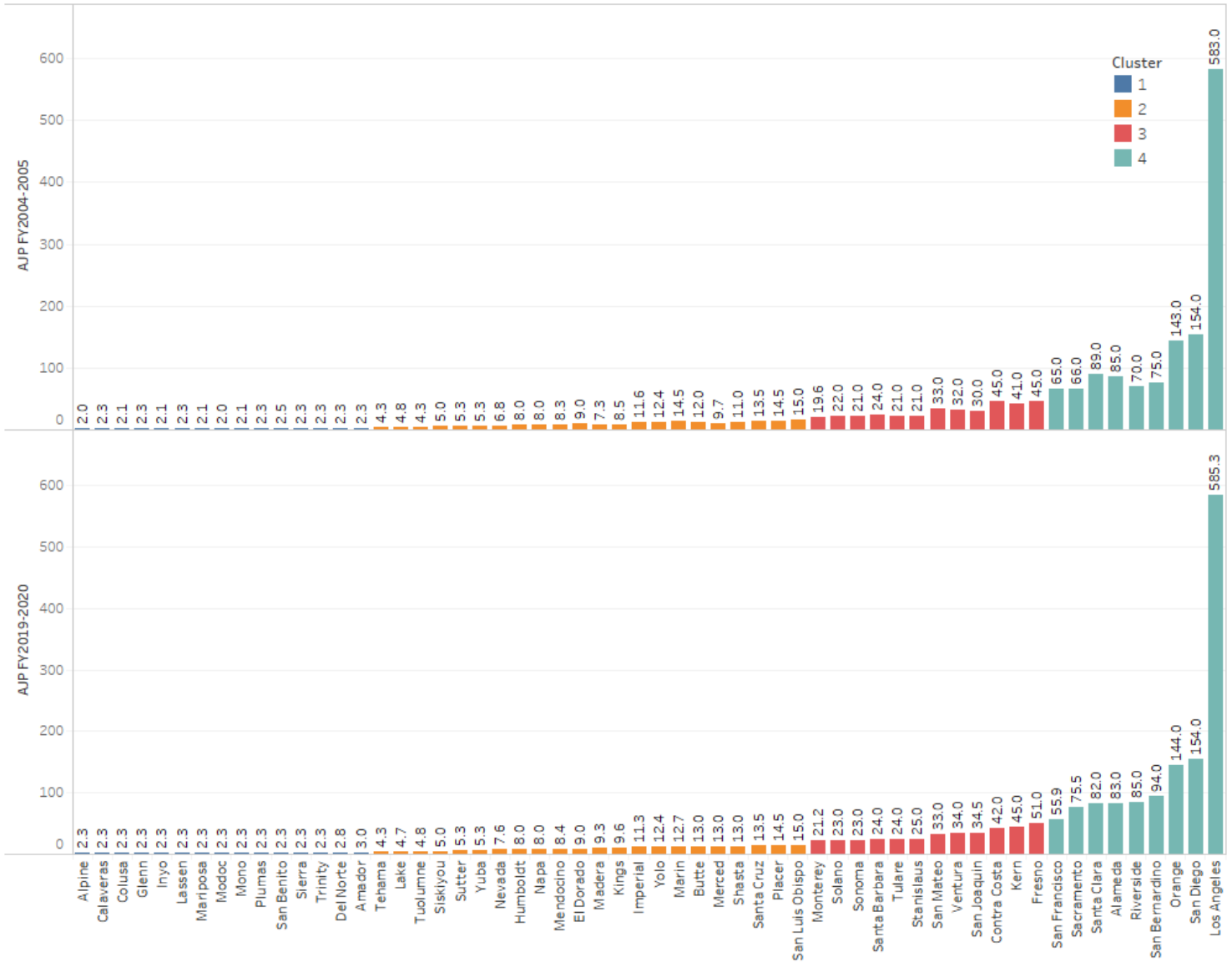
To review cluster grouping we looked at several factors such as population, number of court locations, and geography, but our analysis primarily focused on Authorized Judicial Positions (AJP) and Resource Assessment Study (RAS) FTEs.

i. Authorized Judicial Positions (AJP)

The number of AJPs have not changed significantly since their initial use in the RAS model in 2004-05. Notable exceptions include Riverside and San Bernardino which had significant increases in their AJP's due to allocations of new judgeships approved by the Legislature over the last few years and San Francisco whose AJP dropped from 65 to 55.9 when the court eliminated ten subordinate judicial officer positions in 2014. If the clusters were established today using the same methodology, we would have had the same outcome with the exception of San Francisco. Graph 1 below compares the FY 2004-2005 AJP's to the current AJP's (FY 2019-20).

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Graph 1: Authorized Judicial Positions (AJP)
FY 2004/2005 and FY 2019/2020

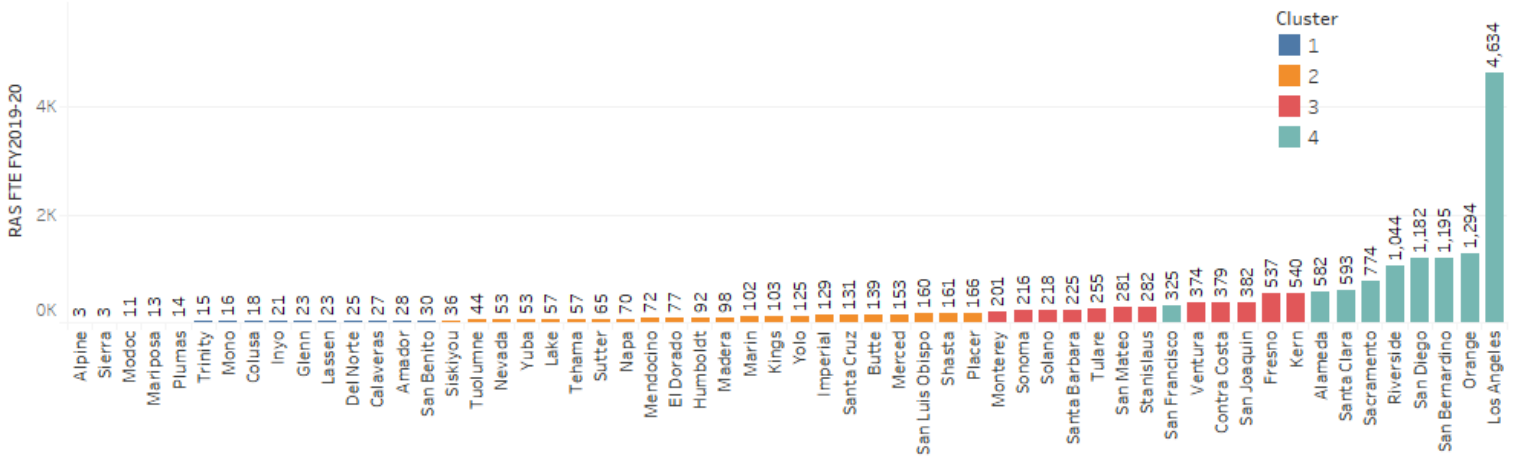


ii. **RAS Full-time Equivalent Staff (FTE)**

Graph 2 below shows that the number of staff required to handle the volume of filings at each court, using current workload measures. Apart from San Francisco, clusters are clearly demarked when we rank the courts by RAS FTE. This shows that if the clusters were established based on the RAS workload model, the outcome will be similar to current cluster groupings.

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Graph 2: RAS Staff Full Time Equivalent (FTE), FY 2019/2020



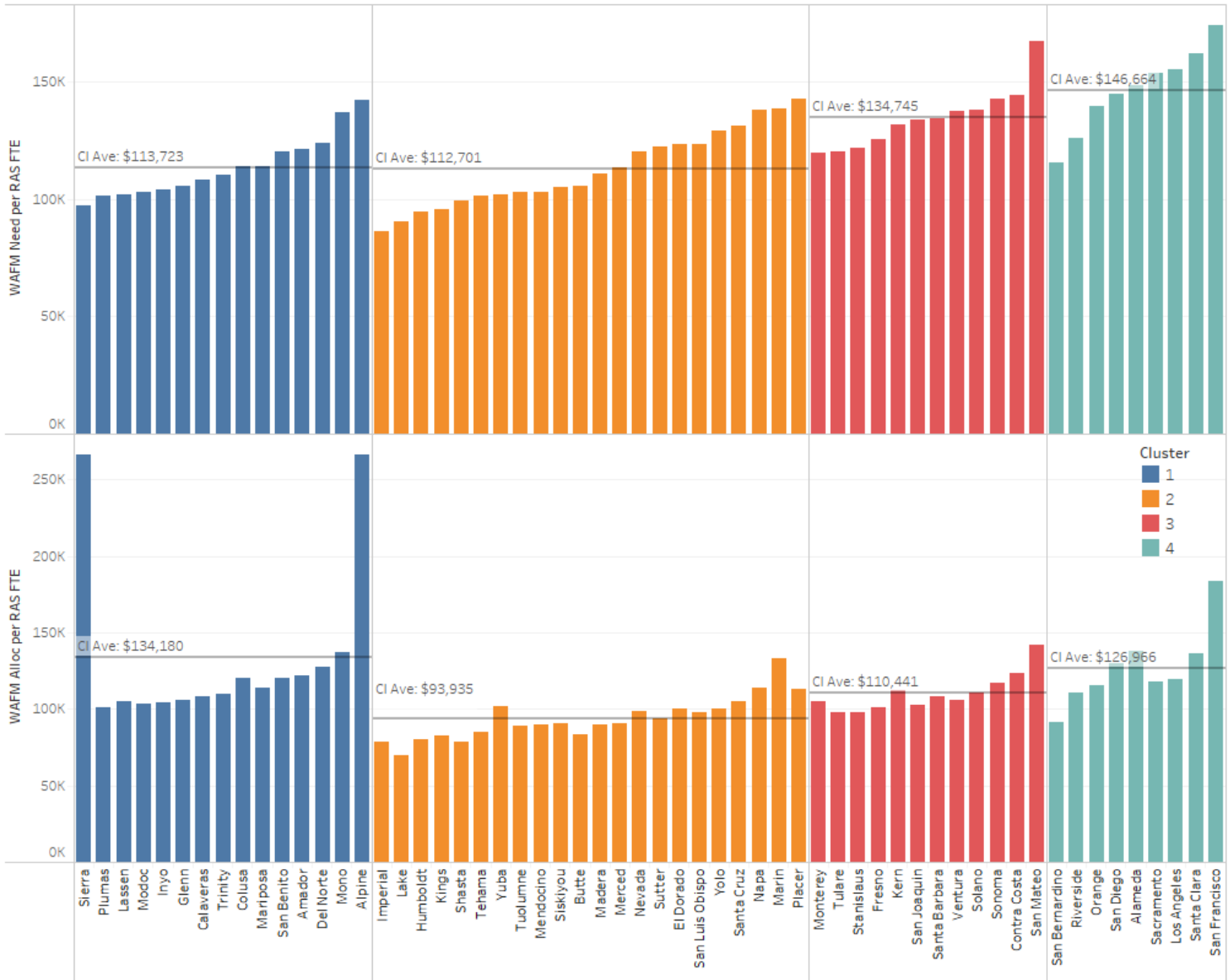
2. Workload Formula Need and Funding Analysis

The next step in our analysis was to see how the clusters rank in terms of estimated need and funding using the 2019-2020 Workload Formula data. Graph 4a shows each court’s Workload Formula need and allocation per FTE, which is calculated by dividing the court’s 2019-2020 Workload Formula Need and Allocation by its 2019-2020 RAS FTE need. On average, Cluster 2 has the lowest per FTE Workload Formula need and allocation.

Cluster 2 courts are predominately rural and tend to have a lower BLS factor than the statewide average. Therefore Cluster 2’s per FTE Workload Formula needs are lower than cluster 3 and 4 courts. Similarly, cluster 1 courts also have a lower BLS factor but because they have a significantly higher per FTE OEE need, their cluster average per FTE Workload Formula need is slightly higher than Cluster 2’s.

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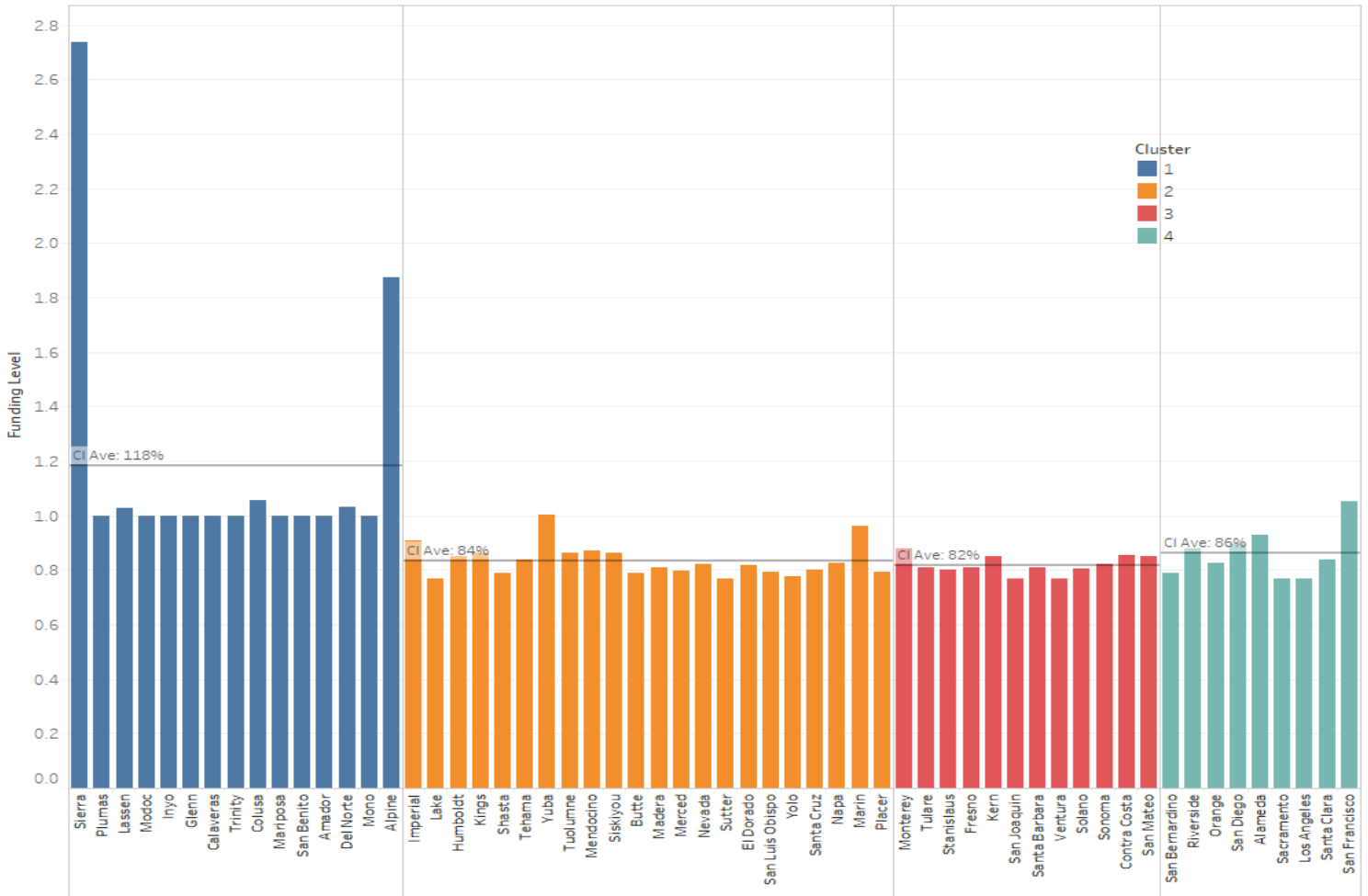
Graph 4a. Workload Formula Need and Allocation per FTE, FY2019-2020



However, Cluster 2 courts fare better than Cluster 3 when we look at funding levels (the ratio of Workload Formula Allocation/ Workload Formula Need) as shown on Graph 4b.

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Graph 4b. Workload Formula Funding Level, FY2019-2020



Summary

We analyzed the AJP, RAS FTE, population, and Workload Formula data to see if the current clusters are still the appropriate groupings to use. We find that, in general, the current cluster groupings are consistent with the differences in court sizes and workload. Based on average funding levels, shown in Graph 4b, cluster 2 courts do not seem to be at a funding disadvantage compared to courts in clusters 3 and 4.

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(Action Item)

Title: Court Interpreter Program (CIP) Funding Shortfall and Update on Methodology

Date: 2/20/2020

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

Consideration of a recommendation to use unrestricted fund balance from the Trial Court Trust Fund (TCTF) to address a 2020-21 projected funding shortfall amount of \$11.1 million in the CIP for consideration by the Trial Court Budget Advisory Committee (TCBAC) at its March 19, 2020 meeting.

Background

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 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 and TCTF Funding

The CIP fund balance was depleted as of the 2018-19 fiscal year, and with expenditures continuing to exceed allocations, the fund remains insolvent.

At its September 21, 2018 business meeting, the Judicial Council approved the one-time use of the TCTF for courts to maintain the CIP at its current level through 2018-19 in an amount not to exceed the projected shortfall of \$3.4 million.¹

At its May 17, 2019 business meeting, the council approved the use of TCTF again, on a one-time basis, for courts to maintain the CIP at its current level through 2019-20 in an amount not to

¹ Judicial Council meeting report (September 21, 2018), <https://jcc.legistar.com/View.ashx?M=F&ID=6613659&GUID=D8DDBB1D-D123-410A-80B7-124C840672DB>; Judicial Council meeting minutes (September 21, 2018), <https://jcc.legistar.com/View.ashx?M=M&ID=559788&GUID=1AF2481A-79EE-44AD-A8E6-1D5F9E02CC7A>

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exceed \$13.5 million.² Absent use of TCTF fund balance or state funding to shore up projected shortfalls, trial courts could have been negatively impacted through a reduction in reimbursements which would likely have resulted in a reduction in services. The full \$13.5 million is needed to cover the 2019-20 projected shortfall.

The use of TCTF fund balance has allowed courts to cover cost increases and maintain service levels while TCBC continues its development of a methodology that addresses anticipated, ongoing funding shortfalls and reviews existing methodologies. In addition, the Judicial Council continues to pursue additional funding through the budget change proposal process to address the projected shortfall in 2020-21 and beyond.

Interpreter Ad Hoc Subcommittee

The Interpreter Ad Hoc Subcommittee is comprised of members from TCBC and the Funding Methodology Subcommittee (FMS). Its charge is to continue its development of a methodology that addresses anticipated, ongoing funding shortfalls in the TCTF CIP and review existing methodologies for a planned implementation date of July 1, 2021.

Through the direction of the Interpreter Ad Hoc Subcommittee, the Judicial Council Budget Services office, in collaboration with the Business Management Services office, is meeting regularly to identify and review various data sets to 1) work towards a workload methodology recommendation for staff interpreters that takes regional salary and benefit differences into consideration, and then 2) begin a methodology that pertains to contract interpreters.

CIP Projections

The projected expenditures below reflect what was last provided to FMS in February of 2019 as compared to updated projections. Changes in projections are a result of:

- 1) Estimated wage growth on ratified agreements only (three percent for region four in 2020-21, and then two percent in 2021-22);
- 2) Continued civil expansion through 2020-21;
- 3) Increases in the number of mandated staff interpreters and mandated contractor usage;
and
- 4) Merit Salary Adjustments.

² Judicial Council meeting report (May 17, 2019), <https://jcc.legistar.com/View.ashx?M=F&ID=7213051&GUID=C4A81071-30F9-4D1C-B10A-1F56A047C3BA>; Judicial Council meeting minutes (May 17, 2019), <https://jcc.legistar.com/View.ashx?M=M&ID=640297&GUID=9C71CADA-D8FB-4AA9-A887-0260DB284273>

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PROJECTED EXPENDITURES AS OF JANUARY 28, 2019					
Expenditure Categories		2017-18 Actuals	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
		A	B	C	D
1	Mandated	102,870,427	108,840,563	114,199,516	117,625,502
2	Domestic Violence	1,426,150	1,253,446	940,084	940,084
3	Civil <i>(expansion at 94% of rollout)</i>	4,174,854	4,240,345	4,494,766	4,809,400
4	Estimated Wage & Benefits Increases*	-	2,359,229	3,978,656	4,029,985
5	Court Interpreter Data Collection System	65,568	87,000	87,000	87,000
Total Projected Expenditures		108,536,999	116,780,583	123,700,022	127,491,971

* 2017-18 estimated wage and benefit increases included in Mandated Criminal, Domestic Violence, and Civil.

PROJECTED EXPENDITURES AS OF JANUARY 31, 2020					
Expenditure Categories		2018-19 Actuals	2019-20 Estimated	2020-21 Estimated	2021-22 Estimated
		E	F	G	H
1	Mandated	116,664,867	123,045,757	130,375,708	138,303,082
2	Domestic Violence	1,370,252	1,305,795	1,271,695	1,255,768
3	Civil <i>(expansion at 94% of rollout)</i>	4,837,202	4,923,559	5,011,920	5,102,338
4	Estimated Wage & Benefits Increases**	0	707,580	2,043,709	2,181,990
5	Court Interpreter Data Collection System	87,000	87,000	87,000	87,000
Total Projected Expenditures		122,959,321	130,069,691	138,790,032	146,930,178

The updated projected fund balance is as follows:

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PROJECTED FUND BALANCE AS OF JANUARY 31, 2019 **					
Description		2017-18	2018-19	2019-20	2020-21
		Actuals	Estimated	Estimated	Estimated
		I	J	K	L
6	Beginning Fund Balance <i>(prior year carry over)</i>	9,281,980	4,376,981	-	
7	Allocation	103,632,000	108,960,000	110,158,000	110,158,000
8	Allocation Adjustment	-	3,443,602	-	-
9	Projected Expenditures	(108,536,999)	(116,780,583)	(123,700,022)	(127,491,971)
10	Surplus / (Deficit)	(4,904,999)	(4,376,981)	(13,542,022)	(17,333,971)
Ending Fund Balance		4,376,981	0	(13,542,022)	(17,333,971)

** 2019-20 and 2020-21 assumes enactment of ongoing \$4 million in 2019-20 Governor's Budget.

PROJECTED FUND BALANCE AS OF JANUARY 31, 2020 ***					
Description		2018-19	2019-20	2020-21	2021-22
		Actuals	Estimated	Estimated	Estimated
		M	N	O	P
6	Beginning Fund Balance <i>(prior year carry over)</i>	4,376,981	(6,178,738)	(2,062,429)	-
7	Allocation	108,960,000	120,686,000	129,817,000	130,691,000
8	Allocation Adjustment	3,443,602	13,500,000	-	-
9	Projected Expenditures	(122,959,321)	(130,069,691)	(138,790,032)	(146,930,178)
10	Surplus / (Deficit)	(10,555,719)	4,116,309	(8,973,032)	(16,239,178)
Ending Fund Balance		(6,178,738)	(2,062,429)	(11,035,461)	(16,239,178)

*** 2020-21 and 2021-22 assumes enactment of ongoing \$8 million in 2020-21 Governor's Budget and excludes Video Remote Interpreting and Language Access Program funding.

Basis of Projected Fund Balance Differences

- For 2018-19, the projected expenditures were updated to reflect actuals after the prior year true up and current year Budget Revision processes, resulting in an additional \$6.2 million in reimbursements due to the courts.
- 2019-20 has been updated to reflect the \$6.2 million carry over from 2018-19, the appropriation per the 2019 Budget Act, the full allocation adjustment from the TCTF as approved by the council, and an increase in projected expenditures.

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- The 2020-21 projections include a carry over from the prior year, an \$8 million appropriation increase as proposed in the 2020-21 Governor’s Budget, and an increase in projected expenditures.
- 2021-22 estimated expenditures have been added and reflect a shortfall of \$16.2 million, which accounts for the proposed the \$8 million appropriation increase.

Recommendation

The following recommendation is provided for approval by FMS to be considered by TCBAC at its March 19, 2020 meeting:

Allocate up to \$11.1 million of unrestricted fund balance from the TCTF to address the projected 2020-21 shortfall in the CIP (the current TCTF fund condition statement is provided as Attachment B) while the Interpreter Ad Hoc Subcommittee continues its work in conjunction with the Judicial Council Budget Services and Business Management Services offices.

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 As of December 2019					
Description	YEAR END FINANCIAL STATEMENTS			ESTIMATED	
	2016-17 (Financial Statements)	2017-18 (Financial Statements)	2018-19 (Financial Statements)	2019-20	2020-21
	A	B	C	D	E
Beginning Fund Balance	34,829,875	66,659,468	60,478,281	71,630,938	78,658,895
Prior-Year Adjustments	5,759,000	(12,185,090)	7,380,390	-	-
TOTAL REVENUES AND TRANSFERS	1,288,395,327	1,303,563,015	1,314,999,921	1,319,969,000	1,314,592,000
<i>Total Revenues</i>	<i>1,270,421,327</i>	<i>1,283,589,015</i>	<i>1,295,031,921</i>	<i>1,300,492,000</i>	<i>1,296,277,000</i>
Transfers/Charges/Reimbursements					
General Fund Loan - Statewide E-Filing		671,000	491,000		(1,162,000)
Reduction Offset Transfers	6,080,000	6,080,000	6,080,000	6,080,000	6,080,000
Net Other Transfers/Charges/Reimbursements	11,894,000	13,397,000	13,397,000	13,397,000	13,397,000
Total Resources	1,328,984,203	1,358,037,393	1,382,858,593	1,391,599,938	1,393,250,895
EXPENDITURES/ENCUMBRANCES/ALLOCATIONS					
Program 0140010 - Judicial Council (Staff)	2,306,934	2,657,200	3,446,535	3,915,000	3,856,500
Program 0150010 - Support for Operation of the Trial Courts	1,860,003,547	1,831,305,998	1,990,037,604	2,040,430,043	2,166,304,935
Program 0150011 - Court-Appointed Dependency Counsel	114,699,919	136,631,250	134,062,223	156,700,000	156,700,000
Program 0150019 - Compensation of Superior Court Judges	335,384,000	348,583,021	373,931,033	429,215,000	435,002,000
Program 0150028 - Assigned Judges	25,923,351	28,063,247	22,372,129	23,812,000	29,812,000
Program 0150037 - Court Interpreters	102,282,915	108,537,000	112,773,052	120,686,000	131,222,000
Program 0150075 - Grants	8,147,000	9,554,900	9,003,519	10,329,000	10,329,000
Program 0150095 - Expenses on Behalf of the Trial Courts	11,391,069	10,078,398	8,950,559	10,015,000	21,929,000
<i>Total Local Assistance</i>	<i>2,446,549,101</i>	<i>2,462,675,415</i>	<i>2,651,130,120</i>	<i>2,791,187,043</i>	<i>2,951,298,935</i>
<i>Less Funding Provided by General Fund:</i>	<i>1,197,922,369</i>	<i>1,177,981,000</i>	<i>1,343,623,000</i>	<i>1,482,477,000</i>	<i>1,642,998,000</i>
Total Expenditures and Expenditure Adjustments	1,262,324,735	1,297,558,112	1,311,227,655	1,312,941,043	1,312,617,078
Ending Fund Balance	66,659,468	60,478,281	71,630,938	78,658,895	80,633,817
Restricted Funds					
Total Restricted/Reserved Funds	26,511,727	31,502,608	30,184,382	42,582,628	28,930,785
Ending Unrestricted Fund Balance	40,147,741	28,975,673	41,446,556	36,076,267	51,703,032

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(Action Item)

Title: Methodologies for Allocation of Proposed Trial Court Funding in the 2020-21 Governor's Budget

Date: 1/30/2020

Contact: Brandy Sanborn, Manager, Budget Services
415-865-71985 | brandy.sanborn@jud.ca.gov

Issue

Develop recommendations for consideration by the Trial Court Budget Advisory Committee at its May 21, 2020 meeting on the methodologies to use in allocating \$61.7 million and \$45.9 million in new funding, as proposed in the 2020-21 Governor's Budget, to trial courts effective July 1, 2020. Fiscal year 2020-21 trial court allocation recommendations are scheduled to be presented to the Judicial Council for approval at its July 23-24, 2020 business meeting. These recommendations assume the funding proposed in the Governor's Budget remain in the final Budget Act as proposed.

Background

\$61.7 Million

In recognition of the annual increases in costs to maintain existing service levels in the court due to general inflationary pressures facing all government operations, \$61.7 million in ongoing General Fund is included in the Governor's Budget proposal. This is equivalent to an overall three percent increase in funding, calculated using trial court 2019-20 Workload Formula allocations, for general trial court operational costs statewide.¹ The Administration has shared its commitment to work with the Judicial Council to determine the best way to address future costs.

\$45.9 Million

\$45.9 million in ongoing General Fund is also included in the Governor's Budget proposal to be allocated by the Judicial Council to promote fiscal equity among the trial courts.

¹ Judicial Council meeting report (July 19, 2019), <https://jcc.legistar.com/View.ashx?M=F&ID=7511221&GUID=89249166-9F19-4DFA-A00F-4DF6642BC521>; Judicial Council meeting minutes (July 19, 2019), <https://jcc.legistar.com/View.ashx?M=M&ID=640299&GUID=79BFCCF3-78C5-45FE-909E-190F0A45083B>

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Non-Sheriff Court Security

At its July 28, 2015 business meeting, the council approved the following policy as it relates to court-provided (non-sheriff) security:²

- Beginning in FY 2016-2017 and beyond, if any new General Fund (GF) augmentation is received, courts with court-provided (non-sheriff) security since 2010-2011 would be provided funding based on the same growth funding percentage that the county sheriff receives; and
- If the growth percentage provided to the county sheriffs exceeds the GF augmentation percentage increase to the trial courts, the funding provided (to courts with court-provided security) will equal the GF augmentation percentage increase and will cease if a court discontinues its court-provided security services.

In 2019-20, 39 eligible courts received a total of \$455,000 in additional security funding as a result of the \$24.5 million received for the cost of 25 new judgeships. The total security base allocation is now \$43.0 million.

The Funding Methodology Subcommittee will be asked to keep this policy in consideration as it relates to new funding proposed for fiscal year 2020-21.

Methodologies

\$61.7 Million

The methodology used to calculate the \$61.7 million was to take three percent of the statewide 2019-20 Workload Allocation amount of approximately \$2.0 billion:

$$\$2,056,062,357 * .03 = \$61,681,871$$

$$\$61,681,871 \text{ rounded up} = \$61,700,000$$

² Judicial Council meeting report (July 28, 2015), <https://www.courts.ca.gov/documents/jc-20150728-itemG.pdf>;
Judicial Council meeting minutes (July 28, 2015), <https://www.courts.ca.gov/documents/jc-20150728-minutes.pdf>

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There are two base funding floor courts, Alpine and Sierra, that receive a set allocation amount of \$800,000 beginning this fiscal year.³ There is a separate process in place in which this allocation amount is reviewed annually, as requested by the applicable courts, for presentation to the Trial Court Budget Advisory Committee each December to determine whether an inflationary adjustment is needed.⁴ As a result, these courts would be excluded from receiving an additional three percent of the new funding and the allocation amount would be adjusted as follows:

Alpine Workload Allocation amount of \$800,000 * .03 = \$24,000

Sierra Workload Allocation amount of \$800,000 * .03 = \$24,000

\$61,681,871 - \$24,000 - \$24,000 = \$61,633,871

\$61,700,000 round up - \$61,633,871 = \$66,129 remaining

If security funding were not considered for this allocation, it is recommended that the remaining \$66,129 be allocated to the 56 trial courts pro rata based on the percentage of funds each court received as compared to the total. For example:

Court	3% Calculation Based on 2019-20 Allocation	% of Funding Received	Pro Rata Share of Remaining Funds	Total Allocation Amount
A	\$6,163,387	10%	\$6,613	\$6,170,000
B	12,326,775	20%	13,225	12,340,000
C	18,490,161	30%	19,839	18,510,000
D	24,653,548	40%	26,452	24,680,000
	\$61,633,871	100%	\$66,129	\$61,700,000

³ Judicial Council meeting report (March 15, 2019), <https://jcc.legistar.com/View.ashx?M=F&ID=7058011&GUID=805D0070-0C38-40C7-A8CE-F08E82D8DDD5>; Judicial Council meeting minutes (March 15, 2019), <https://jcc.legistar.com/View.ashx?M=M&ID=640295&GUID=4C88EDD5-7207-4839-BB72-89B184E22C9B>

⁴ Trial Court Budget Advisory Committee meeting report beginning on page 10 (July 25, 2019), <https://www.courts.ca.gov/documents/tcbac-20190725-materials.pdf>; Trial Court Budget Advisory Committee meeting minutes (July 25, 2019), <https://www.courts.ca.gov/documents/tcbac-20190725-minutes.pdf>

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If security funding is considered for this allocation, and the security funds are taken off the top of the new \$61.7 million before the allocation begins, the amount of new funding would be reduced as follows:

Estimated Security Funding Percentage: 1.51%

\$43,000,000 security base * .0151 = \$649,300

\$61,700,000 new funding - \$649,300 = \$61,050,700

In this instance, it is recommended that the funding be allocated to the 56 courts pro rata based on the amount of funding the courts would have received using the 3% calculation on 2019-20 allocations. For example:

Court	% of Funding Court Would Have Received	Pro Rata Share of New Funding Remaining
A	10%	\$6,105,070
B	20%	12,210,140
C	30%	18,315,210
D	40%	24,420,280
	100%	\$61,050,700

\$45.9 Million

The current methodology for allocating funds in an equitable manner is the Workload Formula, updated most recently by the Judicial Council at its January 17, 2020 business meeting, which outlines the method in which new funding is allocated as follows:⁵

[Apply security deduction.]

1. Bring all Cluster 1 courts up to 100 percent of funding need.

⁵ Judicial Council meeting report (January 17, 2020), <https://jcc.legistar.com/View.ashx?M=F&ID=7976128&GUID=DC14BAC5-0079-4C0C-A0E6-52C7EC068BB0>

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2. Allocate up to 50 percent of remaining funding to courts under the statewide average funding ratio. Allocated funds will bring courts up to but not over the statewide average funding ration.
 - a. The first 50 percent allocation of new funding to courts below the statewide average will be scaled by courts' distance from the statewide average and size based on the courts' Workload Formula need.
3. Allocated remaining funding to all courts based on the Workload Formula.
4. Allow no court's allocation to exceed 100 percent of its need unless it is the result of a funding floor calculation.

Recommendations

The following recommendations are presented for the Funding Methodology Subcommittee's consideration:

\$61.7 Million

- a) Approve a recommendation that gives each trial court (except Alpine and Sierra) a three percent increase based on their 2019-20 Workload Formula allocation, excluding the initial reduction for security funding, and allocate the remaining \$66,129 via pro rata based on the amount of new funding received; or
- b) Approve a recommendation that includes an initial reduction for security funding, and then allocate what remains via a pro rata approach based on what the court would have received if the full three percent were provided.

\$45.9 Million

- c) Approve a recommendation that first includes a reduction for security funding, and then allocate the remaining funds via the most recently approved Workload Formula methodology.

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(Action Item)

Title: San Francisco Superior Court Cluster Assignment Evaluation
Date: 2/6/2020
Contact: Kristin Greenaway
Supervising Analyst, Office of Court Research, Business Management Services

Introduction

On January 13, 2020, the San Francisco Superior Court submitted a Workload Formula Adjustment Request seeking a revision to its existing cluster assignment and to make cluster re-evaluation a regular part of workload formula revision. Specifically, the court’s request is to:

- a) Reassign the San Francisco Superior Court to Cluster 3 immediately.
- b) Change the basis of cluster assignment to a more suitable measure for application to RAS and the workload formula (i.e. RAS staffing level).
- c) Ask the Workload Assessment Advisory Committee and/or the Office of Court Research to conduct a thorough analysis of cluster assignment in order to update this variable (just as all other RAS/workload formula variables are updated).
- d) Ask the Workload Assessment Advisory Committee and/or the Office of Court Research to make the reevaluation of cluster assignment a regular part of RAS model updates.
- e) Recalculate the workload formula base to correct the outdated cluster assignments that were used to formulate it. The use of outdated cluster assignments was a flaw in workload formula implementation that can only be remedied by recalculating the base with the correct cluster assignments.

Background

The current four-cluster model was developed in the early 2000s. It was based on the number of Authorized Judicial Positions (AJP). Courts were ranked by their number of AJP's first, and then grouped into four clusters. Cluster boundaries were created based on clear “breaks” or differentiation in the number of AJPs. The smallest of the 58 trial courts, those with two AJPs, comprised cluster 1 courts. The remaining three clusters were identified based on natural breaks—or jumps—in total number of AJPs.

The number of AJPs at most courts have not changed significantly since the initial use of clusters in the RAS model in 2004-05. Over this period, some courts have received new judgeships and some courts have received authorization from the Council through its Executive and Planning

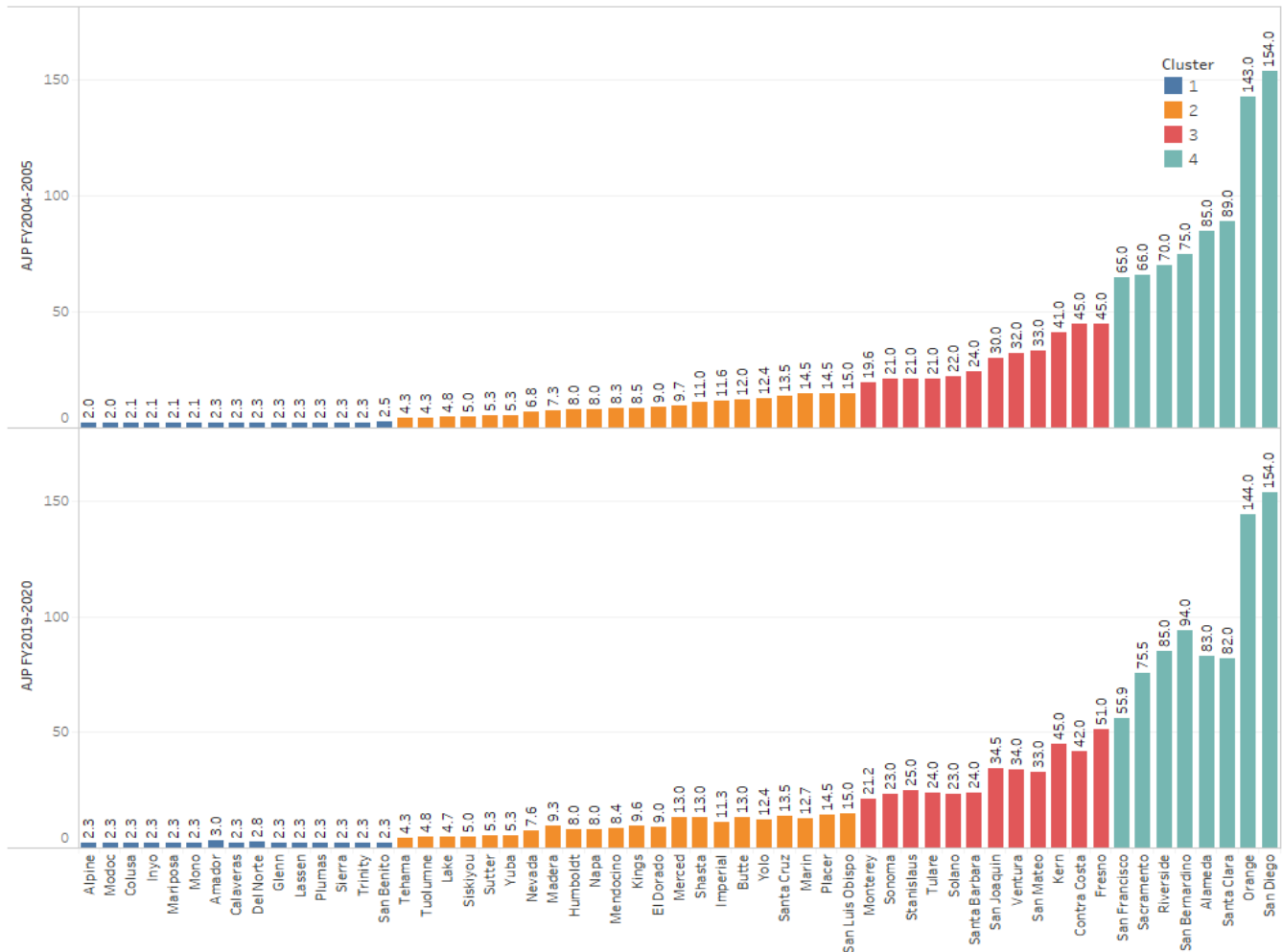
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Committee, to increase or decrease the number of authorized subordinate judicial officer positions. San Francisco has experienced the most significant change in its authorized judicial positions, having eliminated 10 subordinate judicial officer positions in 2014 or about 15% of its total AJP.

Analysis

Clusters are based on authorized judicial positions. Graph 1 below compares the FY 2004-2005 AJPs to the current AJPs (FY 2019-20). In FY 2004-2005 when the clusters were first established, San Francisco had 65 AJPs, which was significantly higher than any Cluster 3 court. However, the 2014 drop in San Francisco’s AJP number brought the court’s AJPs down to 55.9, similar to several Cluster 3 courts. If the clusters were established today using the same methodology, San Francisco would have been assigned to Cluster 3.

**Graph 1: Authorized Judicial Positions (AJP)
FY 2004/2005 and FY 2019/2020**

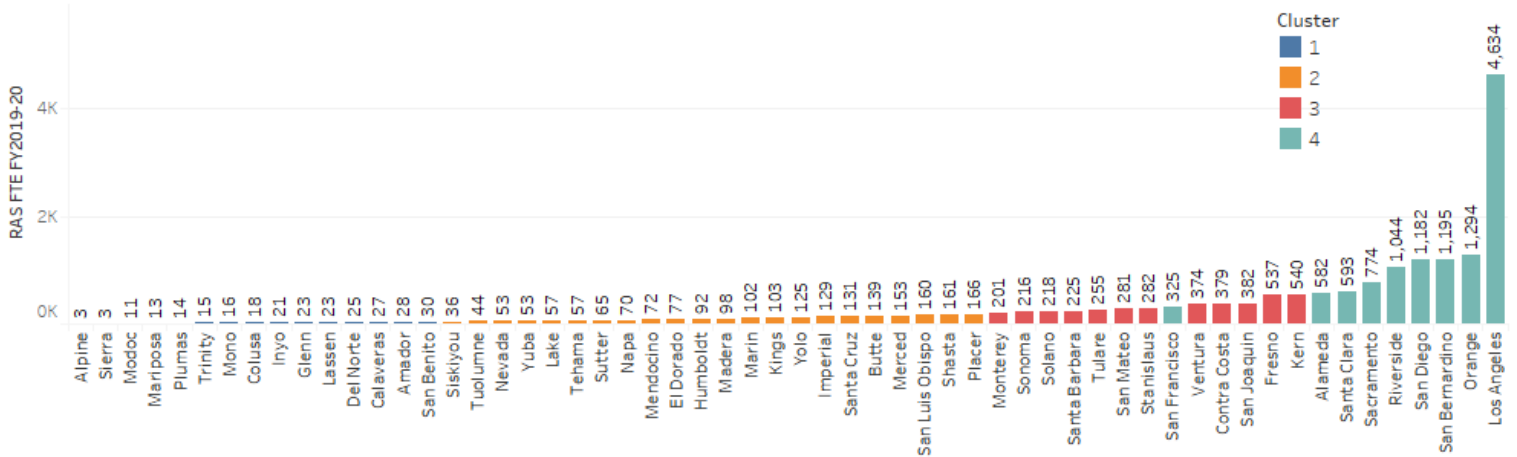


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While clusters were established solely on the basis of authorized judicial positions, we also analyzed the number of RAS Full-time Equivalents (FTEs) for all courts, based on the most recent filings data and model parameters. While judicial positions are stable over time, provided a more consistent basis for the clusters, RAS FTE measurement can provide a secondary look at court groupings, predicated on the assumption that courts of similar size have similar needs for staffing.

This data also suggests that San Francisco belongs to Cluster 3. According to the RAS FTE model, San Francisco needs 325 FTE staff to handle the workload at the court. Graph 2 shows that San Francisco’s RAS FTE need is lower than five Cluster 3 courts. Apart from San Francisco, the RAS FTE ranking is consistent with the current cluster groupings.

Graph 2: RAS Staff Full Time Equivalent (FTE), FY 2019/2020



The analysis does not suggest that other changes to cluster assignment are warranted at this time. The Cluster 2 analysis that was conducted separately and is being presented to FMS at this same meeting did not suggest that a re-grouping of the clusters was needed at this time.

The Office of Court Research will continue to monitor authorized judicial positions and will recommend changes if needed. However, it is not anticipated that there will be major changes to judicial positions in the near future that would warrant a change in the cluster groupings.

The ARP also requested that the basis for clusters be changed to a different factor, such as RAS FTE. It is recommended that this request be folded into an item on FMS’ workplan to reexamine the clusters.

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Recommendation

We recommend that the San Francisco Superior Court’s Cluster assignment should be changed from Cluster 4 to Cluster 3 based on the court’s current number of Authorized Judicial Positions (AJP) and its RAS estimated workload.

We further recommend that the other items concerning cluster re-analysis be included in the FMS workplan item concerning clusters.

Finally, we recommend that the committee reject the last item in the request, concerning re-calculation of base funding. The concept of funding “base” was discontinued when the Workload Formula was updated in 2018. Also, the principles of the RAS and Workload Formula models are that changes may be made to the models at any time, as more data become available and as policy decisions evolve. However, there is no policy in place to retroactively change funding need or allocations as changes to the models are made.

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO

400 McAllister Street, Room 205
San Francisco, CA 94102-4512
Phone: 415-551-5707
FAX: 415-551-5701



T. MICHAEL YUEN
COURT EXECUTIVE OFFICER

January 13, 2020

Mr. Martin Hoshino
Administrative Director
Judicial Council of California
455 Golden Gate Avenue
San Francisco, CA 94102

Re: Workload Formula Adjustment Request

Dear Mr. Hoshino:

The Superior Court of California, County of San Francisco submits the attached workload formula adjustment request, which seeks revise existing cluster assignments and to make cluster re-evaluation a regular part of workload formula revision. The court respectfully request the Judicial Council and the Trial Court Budget Advisory Committee give due consideration to this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Michael Yuen". The signature is stylized and fluid.

T. Michael Yuen
Court Executive Officer

cc: Trial Court Budget Advisory Committee

Proposal to Update Cluster Assignments in the RAS and Workload Formula Models

Proposed by the San Francisco Superior Court

1. Description of How the Factor is not Currently Accounted for in the Workload Formula

The workload formula was founded on the premise that the “[f]unding needs for each trial court would be based upon workload as derived from filings through a specified formula.”¹ This formula includes variables representing the number of filings by case type, average time to disposition per filing (case weights), average case-processing minutes per staff year, the local cost of labor, local benefit ratios, and staffing ratios based upon the size of the court (cluster). Almost all these variables are updated annually (number of filings, cost of labor, and benefit ratios) or every five-to-six years (case weights, staffing ratios, and staff year), but one is not.

Court size, grouped by cluster, is used by RAS and the workload formula to determine the number of FTEs a manager or supervisor can supervise. It has also at times been used to determine the number of operations FTEs each administration position can support. It is assumed by the models that larger courts can be more efficient in their management and administration and can manage or serve more employees per management and administration position than smaller courts. Unlike the other variables in RAS and the workload formula, however, **cluster assignment has never been updated** and there is presently no system or procedure in place for doing so.²

Clusters were established at least twenty years ago, and despite the rapid growth of some courts and the contraction of others, cluster assignment has not been revised or evaluated since. As cluster assignment is used in the evaluation of management/supervision workload need and allocation of funding under the workload formula, it should be updated at least as regularly as every other component of the model.

Cluster assignment presently represents a ranking of courts by authorized judgeship. As such, clusters do not account for subordinate judicial officers, which are not proportionately distributed among all courts and might affect the rankings. Clusters also do not contemplate judicial (or staff) assessed need, which is likewise disproportionately distributed. A workload model that determines need should cluster its courts by a consistent measure.

2. Identification and Description of the Basis for Which Adjustment Is Requested

In both RAS and the workload formula, clusters are used to estimate the number of managers and supervisors needed to oversee the number of line staff that the models determine are necessary to process the court’s workload. Unlike every other workload formula variable, cluster assignment **was not updated at any point during workload formula implementation** and has not, in fact, been updated for decades. Moreover, the number of authorized judgeships is an imperfect basis on which to determine management/supervision need in a staff workload model. In order to be relevant to

¹ “Trial Court Budget Working Group: Recommendation of New Budget Development and Allocation Methodology,” April 24, 2013, <http://www.courts.ca.gov/documents/jc-20130426-itemP.pdf> (accessed November 14, 2019).

² While the actual management/supervision and administration *ratios* for each cluster are updated every five-to-six years, the actual *assignment* of courts to clusters has not been updated at all.

differentiating the management ratios of various levels of staffing need, cluster assignment should be based upon the assessed staff need of the court.

3. Analysis of Adjustment Necessity

The workload formula has been phased in (and continues to be implemented) with outdated cluster assignments. For many years now, San Francisco has been much smaller than every other Cluster 4 court (and many Cluster 3 courts as well) by nearly every measure. While these outdated cluster assignments remain in place, San Francisco is being asked to make do with Cluster 3-level RAS staffing allocations while being held to the higher efficiency standards of Cluster 4 management/supervision ratios. **No other court is being asked to do this.**

The San Francisco Superior Court estimates that outdated cluster assignment is costing it **13 FTEs** of management/supervision need worth **\$2.3M annually**.

4. Unique or Broad Application

Cluster assignment pertains to all courts, and like all other variables in RAS and the workload formula it should be based upon an appropriate measure and updated regularly.

5. Detailed Description of Staffing Needs and or Costs Required to Support the Unaccounted for Factor (*Employee compensation must be based on workload formula compensation levels, not the requesting court’s actual cost.)

Current cluster assignments are outdated and fail to represent the current staffing needs of each court. Table 1 ranks all courts (excluding Cluster 1) by assessed staffing need (RAS workload). Based upon these criteria, the San Francisco Superior Court **ranks below five existing Cluster 3 courts**. In fact, there is a significant **13 percent drop** from the next largest court to San Francisco and a **40 percent drop** from the largest Cluster 3 court. The largest Cluster 3 court is within nine percent of both Alameda and Santa Clara according to this measure.

Chart 1 in the appendix graphically illustrates this.

TABLE 1. Superior Court of California Courts Ranked by RAS Staffing Need: FY 2019-20 Workload Formula

County	Cluster	RAS FTEs (FY 2019-20 Formula)
Los Angeles	4	4,633
Orange	4	1,294
San Bernardino	4	1,194
San Diego	4	1,182
Riverside	4	1,044
Sacramento	4	774
Santa Clara	4	592
Alameda	4	582
Kern	3	540
Fresno	3	537
San Joaquin	3	382
Contra Costa	3	379
Ventura	3	374
San Francisco	4	324
Stanislaus	3	282
San Mateo	3	281
Tulare	3	255
Santa Barbara	3	225
Solano	3	218
Sonoma	3	216
Monterey	3	201
Placer	2	166
Shasta	2	161
San Luis Obispo	2	159
Merced	2	153
Butte	2	139
Santa Cruz	2	131
Imperial	2	129
Yolo	2	125
Kings	2	103
Marin	2	102
Madera	2	97
Humboldt	2	92
El Dorado	2	77
Mendocino	2	72
Napa	2	70
Sutter	2	65
Lake	2	57
Tehama	2	57
Nevada	2	53
Yuba	2	53
Tuolumne	2	44
Siskiyou	2	36

Ranking clusters by assessed judicial need (AJN model) likewise shows that San Francisco is significantly smaller than existing Cluster 3 courts (see Table 2).

Based upon these criteria, the San Francisco Superior Court **ranks below two existing Cluster 3 courts**, with a significant **18 percent drop** from the next largest court to San Francisco and a **23 percent drop** from the largest Cluster 3 court. The largest Cluster 3 court is within nine percent of Santa Clara according to this measure.

This is graphically illustrated by Chart 2 in the appendix.

6. Public Access Consequence

Without workload formula funding to cover appropriate management/supervision and administration need, the courts must divert funding from other under-resourced areas, including service to the public. Availability of window clerks and case-processing times may suffer from the funding short-fall. All clerks' offices in San Francisco, for example, currently close at 2:00 pm each day, and the Public Viewing Room closes at 1:00 pm.

7. Consequences of Not Receiving Funding

San Francisco estimates that outdated cluster assignment is costing it **13 FTEs** of management/supervision need worth **\$2.3M annually**. Other courts that are misclassified might also be receiving inappropriate levels of management/supervision funding.

8. Additional Information

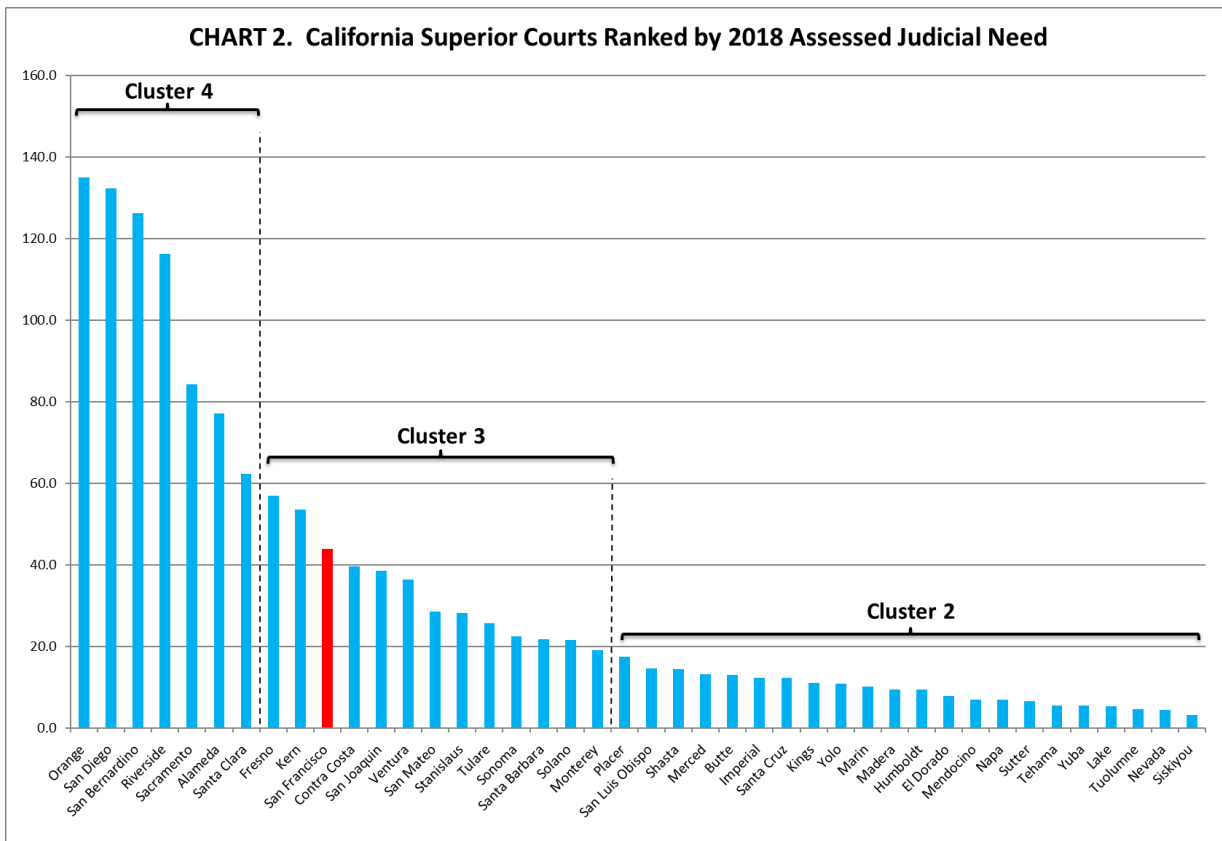
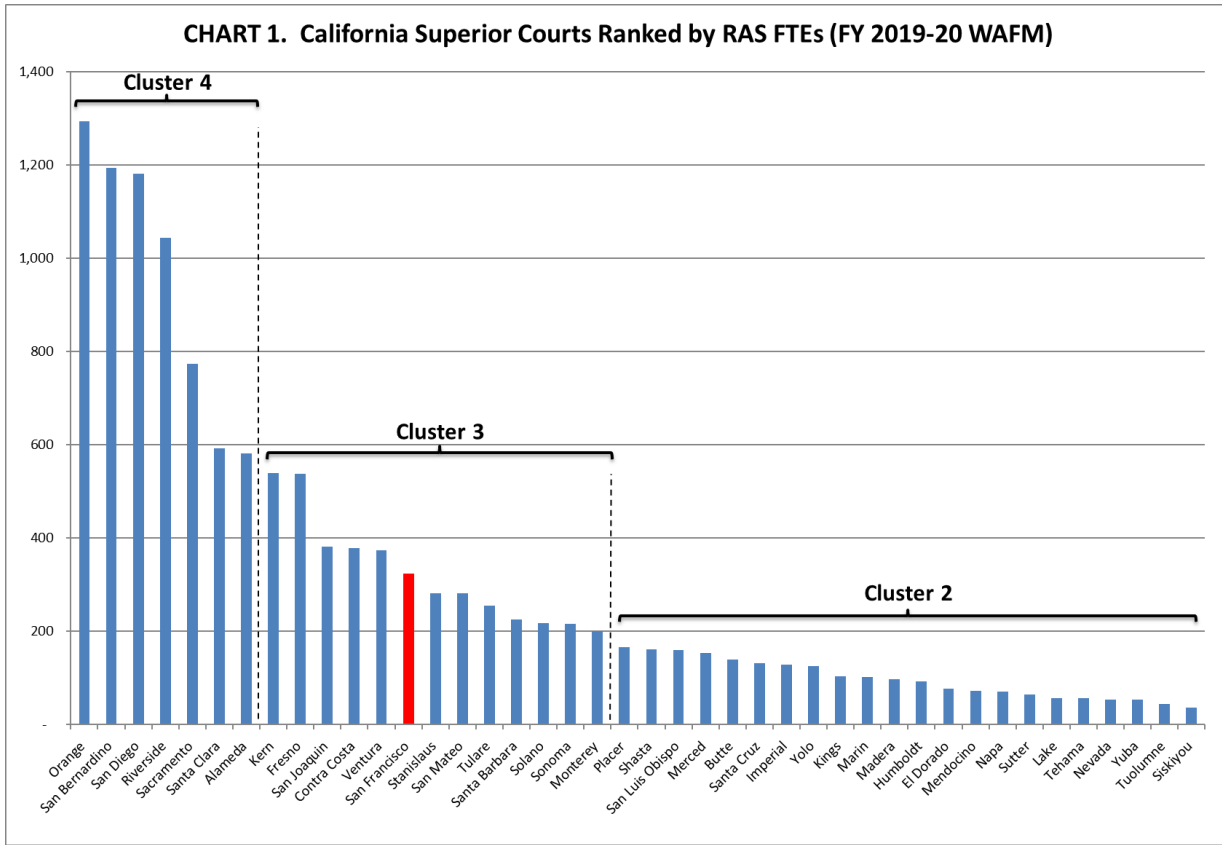
The San Francisco Superior Court respectfully requests that the following actions be taken to correct this situation:

- a) Reassign the San Francisco Superior Court to Cluster 3 immediately.
- b) Change the basis of cluster assignment to a more suitable measure for application to RAS and the workload formula (i.e. RAS staffing level).
- c) Ask the Workload Assessment Advisory Committee and/or the Office of Court Research to conduct a thorough analysis of cluster assignment in order to update this variable (just as all other RAS/workload formula variables are updated).
- d) Ask the Workload Assessment Advisory Committee and/or the Office of Court Research to make the reevaluation of cluster assignment a regular part of RAS model updates.
- e) Recalculate the workload formula base to correct the outdated cluster assignments that were used to formulate it. The use of outdated cluster assignments was a flaw in workload formula implementation that can only be remedied by recalculating the base with the correct cluster assignments.

TABLE 2. Superior Court of California Courts Ranked by Assessed Judicial Need (AJN)

County	Cluster	2018 AJN Revision (for 3-yr avg through FY 2017)
Los Angeles	4	533.3
Orange	4	135.0
San Diego	4	132.3
San Bernardino	4	126.2
Riverside	4	116.2
Sacramento	4	84.3
Alameda	4	77.1
Santa Clara	4	62.2
Fresno	3	56.9
Kern	3	53.5
San Francisco	4	43.8
Contra Costa	3	39.6
San Joaquin	3	38.6
Ventura	3	36.3
San Mateo	3	28.6
Stanislaus	3	28.2
Tulare	3	25.6
Sonoma	3	22.4
Santa Barbara	3	21.8
Solano	3	21.5
Monterey	3	19.1

Appendix



Note: Los Angeles Superior Court and Cluster 1 courts have been excluded from both charts because they distort the scale.

JUDICIAL COUNCIL OF CALIFORNIA
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Report to the Funding Methodology Subcommittee

(Action Item)

Title: Annual Funding Methodology Subcommittee Work Plan Update
Date: 2/20/2020
Contact: Mr. Zlatko Theodorovic, Chief Financial Officer and Director, Budget Services
916-263-1397; 415-865-7584 | zlatko.theodorovic@jud.ca.gov

Issue

The Funding Methodology Subcommittee (FMS) work plan items need review and updating for 2019-20 and beyond.

Background

The FMS prepares an annual work plan to direct its efforts in developing and refining the Workload Formula as well as other methodologies including self-help, court-appointed dependency counsel, and interpreter funding.

The work plan, as approved on July 25, 2019, is provided as Attachment A.

Recommendation

It is recommended that the FMS review and update the annual work plan as follows:

1. Identify which items should be marked complete or removed
 - Mark as complete the following items for 2019-20: item 3, item 5, and item 6.
2. Identify any new items that should be added
 - Add new item to 2021-22 to read as follows:
Consider either the current clusters structure should be changed for the Workload Formula to more equitably identify funding need.
3. Determine in which fiscal year each item should be addressed, in order of priority.

The updated annual work plan will be presented to the Trial Court Budget Advisory Committee for consideration.

FUNDING METHODOLOGY SUBCOMMITTEE WORK PLAN

Updated on July 25, 2019

Charge of the Funding Methodology Subcommittee

Focus on the ongoing review and refinement of the Workload Formula, develop a methodology for allocations from the Trial Court Trust Fund Court Interpreter Program (0150037) in the event of a funding shortfall, and consider funding allocation methodologies for other non-discretionary dollars as necessary.

2019-20

1. Perform a review of all accounts that are used in the computation of the Operating Expenses and Equipment factor.
2. Evaluate the cluster 2 Bureau of Labor Statistics and small court adjustment contributions including a review of the Workload Formula adjustment request from Del Norte Superior Court, submitted on January 8, 2018.
3. Evaluate the Workload Formula Adjustment Request submitted by El Dorado Superior Court in January 2019 including an assessment of what has changed since the request for Mendocino Superior Court was considered in 2013.
4. Develop a methodology for reimbursement of expenditures for the Court Interpreter Program in the event of a funding shortfall.
5. Develop a methodology to allocate:
 - a. 50 percent of funding to courts under the statewide average funding ratio in years of new money per the policy approved by the Judicial Council on January 12, 2018; and
 - b. Funding from courts above the band to courts below the band every other year for which no new money is provided per the policy approved by the Judicial Council on January 12, 2018.
 - c. Reallocation of funding from courts above 105% as proposed by FMS on June 17, 2019.
6. Develop a methodology for allocation of the Consumer Price Index adjustment should the funding be granted.

2020-21

7. Identify and evaluate the impact of Judicial Council-provided services versus those that are funded by local trial court operations funds.

FUNDING METHODOLOGY SUBCOMMITTEE WORK PLAN

Updated on July 25, 2019

Ongoing Through 2021-22

8. Track the work of the Family and Juvenile Law Advisory Committee to ensure implementation of an allocation methodology for the AB 1058 Child Support Family Law Facilitator Program in 2022-23.

Annual Updates

9. Review the base funding floor amounts annually, if requested by the applicable courts, for presentation to the TCBAC no later than December, to determine whether an inflationary adjustment is needed.