

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

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

**Date:** 12/6/2022

**Contact:** Brandy Olivera, Manager, Judicial Council Budget Services  
415-865-7195 | [brandy.olivera@jud.ca.gov](mailto:brandy.olivera@jud.ca.gov)

---

**Issue**

Consideration of an amended TCTF funds to be held on behalf of the trial courts request for San Mateo Superior Court for 2021-22 totaling \$300,000 for recommendation to the Judicial Council at its January 20, 2023 business meeting.

**Background**

The Fiscal Planning Subcommittee (FPS) originally approved an amended request from San Mateo Superior Court at its October 20, 2022 meeting for an increase of \$50,000.<sup>1</sup> It was later determined that the amount did not account for the full request, and the correct amount of the request should have been \$300,000.

**Detail on Requests**

**Amended request totaling \$300,000:**

Request of San Mateo Superior Court to extend the period for repairing and replacing worn and damaged flooring and carpeting to 2023-24 for fund balance years 2017-18 through 2021-22 and to increase the requested amount by a total of \$300,000.

**Recommendation**

Consider approval to modify the amount of the amended request from San Mateo Superior Court for a total of \$300,000 for this project for recommendation to the Judicial Council at its January 20, 2023 business meeting.

**Attachments**

**Attachment 1:** Summary of Amended Requests for TCTF FHOB of the Court

**Attachment 2:** Application for TCTF FHOB of the Court—Request from San Mateo Superior Court (Amended Request)

**Attachment 3:** *Judicial Council—Approved Process, Criteria, and Required Information for TCTF FHOB of the Courts*

---

<sup>1</sup> FPS meeting report (October 20, 2022), <https://www.courts.ca.gov/documents/tcbac-20221020-fps-materials.pdf>.

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

Table 1: Amended Requests for Judicial Council Consideration at its January 20, 2023 Business Meeting

Court	Does Request Change \$\$ Amount?	If Yes - \$\$ Change +/-	Current Approved					Total Request	Amended					Total Request	Category	High-Level Summary
			Requests by Fiscal Year						Requests by Fiscal Year							
			2017-18	2018-19	2019-20	2020-21	2021-22		2017-18	2018-19	2019-20	2020-21	2021-22			
San Mateo	Yes	\$ 300,000					\$ -	\$ -					\$ 300,000	300,000	Facilities	Flooring repair and replacement
<u>\$ 300,000</u>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000		
			\$0					\$300,000								

## ***Summary of Recommended Process, Criteria, and Required Information for Trial Court Trust Fund Fund Balance Held on Behalf of the Courts***

### **Recommended Process for Trial Court Trust Fund Fund Balance Held on Behalf of the Courts**

1. Trial Court Trust Fund fund balance will be held on behalf of trial courts only for expenditures or projects that cannot be funded by a court's annual budget or three-year encumbrance term and that require multiyear savings to implement.
  - a. Categories or activities include, but are not limited to:
    - i) Projects that extend beyond the original planned three-year term process such as expenses related to the delayed opening of new facilities or delayed deployment of new information systems;
    - ii) Technology improvements or infrastructure such as installing a local data center, data center equipment replacement, case management system deployment, converting to a VoIP telephone system, desktop computer replacement, and replacement of backup emergency power systems;
    - iii) Facilities maintenance and repair allowed under rule 10.810 of the California Rules of Court such as flooring replacement and renovation as well as professional facilities maintenance equipment;
    - iv) Court efficiencies projects such as online and smart forms for court users and RFID systems for tracking case files; and
    - v) Other court infrastructure projects such as vehicle replacement and copymachine replacement.
2. The submission, review, and approval process is as follows:
  - a. All requests will be submitted to the Judicial Council for consideration.
  - b. Requests will be submitted to the *director of Budget Services* by the court's presiding judge or court executive officer.
  - c. *Budget Services* staff will review the request, ask the court to provide any missing or incomplete information, draft a preliminary report, share the preliminary report with the court for its comments, revise as necessary, and issue the report to the *Fiscal Planning Subcommittee* of the Trial Court Budget Advisory Committee (TCBAC); the *subcommittee* will meet to review the request, hear any presentation of the court representative, and ask questions of the representative if one participates on behalf of the court; and *Budget Services* office staff will issue a final report on behalf of the *subcommittee* for the council.
  - d. The final report to the *subcommittee* and the Judicial Council will be provided to the requesting court before the report is made publicly available on the California Courts website.
  - e. The court may send a representative to the *subcommittee* and Judicial Council meetings to present its request and respond to questions.

3. To be considered at a scheduled Judicial Council business meeting, requests must be submitted to the *director of Budget Services* at least 40 business days (approximately eight weeks) before that business meeting.
4. The Judicial Council may consider including appropriate terms and conditions that courts must accept for the council to approve designating TCTF fund balance on the court's behalf.
  - a. Failure to comply with the terms and conditions would result in the immediate change in the designation of the related TCTF fund balance from restricted to unrestricted and no longer held on behalf of the court unless the council specifies an alternative action.
5. Approved requests that courts subsequently determine need to be revised to reflect a change (1) in the amounts by year to be distributed to the court for the planned annual expenditures and/or encumbrances, (2) in the total amount of the planned expenditures, or (3) of more than 10 percent of the total request among the categories of expense will need to be amended and resubmitted following the submission, review, and approval process discussed in 1–3 above.
  - a. Denied revised requests will result in the immediate change in the designation of the related TCTF fund balance from restricted to unrestricted and no longer held on behalf of the court unless the council specifies an alternative action.
6. Approved requests that courts subsequently determine have a change in purpose will need to be amended and resubmitted following the submission, review, and approval process discussed in 1–3 above, along with a request that the TCTF funds held on behalf of the court for the previously approved request continue to be held on behalf of the court for this new purpose.
  - a. Denied new requests tied to previously approved requests will result in the immediate change in the designation of the related TCTF fund balance from restricted to unrestricted and no longer held on behalf of the court unless the council specifies an alternative action.
7. Courts are required to report to the Trial Court Budget Advisory Committee annually on the status of the project or planned expenditure if not yet complete, and how the funds were expended for completed projects and planned expenditures.
8. As part of the courts' audits in the scope of the normal audit cycle, a review of any funds that were held on behalf of the courts will be made to confirm that they were used for their stated approved purpose.

## **Recommended Criteria for Eligibility for TCTF Fund Balance Held on Behalf of the Courts**

TCTF fund balance will be held on behalf of the trial courts only for expenditures or projects that cannot be funded by the court's annual budget or three-year encumbrance term and that require multiyear savings to implement.

## **Recommended Information Required to Be Provided by Trial Courts for TCTF Fund Balance Held on Behalf of the Courts**

Below is the information required to be provided by trial courts on the *Application for TCTF Funds Held on Behalf of the Court*:

### **SECTION I**

#### **General Information**

- Superior court
- Date of submission
- Person authorizing the request
- Contact person and contact information
- Time period covered by the request (includes contribution and expenditure)
- Requested amount
- A description providing a brief summary of the request

### **SECTION II**

#### **Amended Request Changes**

- Sections and answers amended
- A summary of changes to request

### **SECTION III**

#### **Trial Court Operations and Access to Justice**

- An explanation as to why the request does not fit within the court's annual operational budget process and the three-year encumbrance term
- A description of how the request will enhance the efficiency and/or effectiveness of court operations, and/or increase the availability of court services and programs
- If a cost efficiency, cost comparison (*table template provided*)
- A description of the consequences to the court's operations if the court request is not approved
- A description of the consequences to the public and access to justice if the court request is not approved
- The alternatives that the court has identified if the request is not approved, and the reason why holding funding in the TCTF is the preferred alternative

**SECTION IV****Financial Information**

- Three-year history of year-end fund balances, revenues, and expenditures (*table template provided*)
- Current detailed budget projections for the fiscal years during which the trial court would either be contributing to the TCTF fund balance held on the court's behalf or receiving distributions from the TCTF fund balance held on the court's behalf (*table template provided*)
- Identification of all costs, by category and amount, needed to fully implement the project (*table template provided*)
- A specific funding and expenditure schedule identifying the amounts to be contributed and expended, by fiscal year (*table template provided*)