

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Revenue and Expenditure Subcommittee
(Action Item)

Title: 2024–25 Trial Court Trust Fund (TCTF) Allocation Increase for Judicial Council Audit Services and Budget Services Offices

Date: 10/28/2024

Contact: Oksana Tuk, Senior Analyst, Budget Services
916-643-8027 | oksana.tuk@jud.ca.gov

Issue

Consider a recommendation to increase the Judicial Council’s approved fiscal year 2024–25 TCTF allocation by an additional \$1.5 million for the Judicial Council’s Audit Services and Budget Services offices.

1. The Audit Services office requests an allocation increase of \$1.3 million to reflect funding included in the Budget Act of 2024 for required audits conducted by the State Controller’s Office (SCO).
2. The Budget Services office requests an allocation increase of \$150,000 based on a reevaluation of budget workload for the collections program funded by the TCTF.

These recommendations will be considered by the Trial Court Budget Advisory Committee, the Judicial Branch Budget Committee, and then the Judicial Council at its February 21, 2025, business meeting.

Background

Audit Services Office

Government Code section 77206(h) requires the trial courts to be audited every four years by an external governmental audit organization, such as the SCO, the California State Auditor, or the Department of Finance. Government Code section 77206(j) specifies the SCO as the entity to perform this audit work unless the Judicial Council determines that either the California State Auditor or the Department of Finance can perform the same procedures as determined by the SCO at a lower cost.

Historically, the annual budget act included funding for these external audits so that trial court budgets would not be impacted. Effective with the Budget Act of 2017, the judicial branch received an annual appropriation of \$540,000 from the TCTF to cover the initial costs of the SCO’s required audits of the trial courts. These audits review trial court compliance with the state’s financial rules for revenues, expenditures, and fund balances.

Prior to auditing each court on a four-year cycle, the SCO was required to establish a pilot program to audit six trial courts. The pilot program was intended to provide the SCO with a basis

to estimate the full costs of auditing all 58 superior courts on a four-year cycle, which is approximately 14 to 15 audits per year.

The SCO estimates that its costs will be approximately \$1.9 million in 2024–25 to implement the full audit program (14 to 15 audits each year), and these costs will increase by 2 percent each year thereafter. To cover these costs, the Budget Act of 2024 included an additional \$1.3 million in TCTF resources based on an approved budget change proposal. Currently, the Audit Services office is allocated \$865,000 from the TCTF for fiscal year 2024–25 for audits conducted by the SCO (\$540,000) and the California State Auditor (\$325,000). The current allocation does not include the additional \$1.3 million included in the Budget Act of 2024 to fund the full audit program. This request is for a current year allocation increase of \$1.3 million, consistent with the approved budget change proposal, for a total allocation of \$2.2 million in fiscal year 2024–25. (See Attachment A).

Budget Services Office

The Budget Services office has reevaluated its fiscal year 2024–25 TCTF allocation for the Statewide Support for Collections Program. To ensure that the appropriate fund source is used to pay for Budget Services staff that work on activities that support the collections program for the trial courts, it was determined that additional TCTF funding is needed in current year. Technical baseline budget adjustments for rent and employee compensation costs also require additional funding. Currently, the Budget Services office is allocated \$597,000 from the TCTF. This request is for an allocation increase of \$150,000 for a total allocation of \$747,000 in fiscal year 2024–25. (See Attachment A).

The total request for an additional \$1.5 million is reflected in the TCTF Fund Condition Statement (Attachment B). Based on current revenue estimates and fund balance, there are sufficient resources to accommodate the requested allocation increase for fiscal year 2024–25.

Recommendation

Increase the approved fiscal year 2024–25 TCTF allocation for the Judicial Council’s Audit Services and Budget Services offices by \$1.5 million:

- The Audit Services office requests an additional \$1.3 million to reflect the resources included in the Budget Act of 2024 to ensure that the appropriate number of trial courts will be audited by the SCO; and
- The Budget Services office requests an additional \$150,000 to fund the actual costs of budget workload for the collections program that are supported by the TCTF.

Attachments

1. Attachment A: Judicial Council of California Approved 2024–25 and New Requested 2024–25 Allocations State Operations and Local Assistance TCTF
2. Attachment B: TCTF Fund Condition Statement

Judicial Council of California
Approved FY 2024-25 and New Requested 2024-25 Allocations
State Operations and Local Assistance
Trial Court Trust Fund

Attachment A

#	Program Name	Program Number	Office	Approved 2024-25 Allocations			Recommended 2024-25 Allocations			Total Proposed Allocations	\$\$ Change	% Change
				State Operations	Local Assistance	Total Approved Allocations	State Operations	Local Assistance	Total Requested Allocations			
A	B	C	D	E	F	G (E + F)	H	I	J (H + I)	K (G + J)	L (K - G)	M (L / G)
1	SCO Audit - Per GC 77206 (h)	0150095	AS		\$ 540,000	\$ 540,000		\$ 1,310,000	\$ 1,310,000	\$ 1,850,000	1,310,000	243%
2	California State Auditor Audits	0150010	AS		325,000	325,000				\$ 325,000	-	0%
3	Phoenix Financial Services	0140010	BAP	103,000		103,000				\$ 103,000	-	0%
4	Phoenix HR Services	0140010	BAP	1,723,000		1,723,000				\$ 1,723,000	-	0%
5	Other Post Employment Benefits Valuations	0150095	BAP		131,000	131,000				\$ 131,000	-	0%
6	Statewide Support for Collections Programs	0140010	BS	597,000		597,000	150,000		150,000	\$ 747,000	150,000	25%
7	Jury	0150010	BS		18,700,000	18,700,000				\$ 18,700,000	-	0%
8	Elder Abuse	0150010	BS		1,400,000	1,400,000				\$ 1,400,000	-	0%
9	SCO Administrative Costs per GC 68085(g)	0150010	BS		88,000	88,000				\$ 88,000	-	0%
10	Children in Dependency Case Training	0150095	CFCC		113,000	113,000				\$ 113,000	-	0%
11	Sargent Shriver Civil Counsel Pilot Program	0140010	CFCC	780,000		780,000				\$ 780,000	-	0%
12	Sargent Shriver Civil Counsel Pilot Program	0150095	CFCC		21,032,000	21,032,000				\$ 21,032,000	-	0%
13	Equal Access Fund	0140010	CFCC	274,000		274,000				\$ 274,000	-	0%
14	Court-Appointed Dependency Counsel Collections	0140010	CFCC	556,000		556,000				\$ 556,000	-	0%
15	Court-Appointed Dependency Counsel	0150011	CFCC		186,700,000	186,700,000				\$ 186,700,000	-	0%
16	Juvenile Dependency Collections Reimbursement	0150010	CFCC		350,000	350,000				\$ 350,000	-	0%
17	Self-Help Center	0150010	CFCC		25,300,000	25,300,000				\$ 25,300,000	-	0%
18	Screening Equipment Replacement	0150010	FS		2,511,000	2,511,000				\$ 2,511,000	-	0%
19	Court Interpreters Data Collections System (CIDCS)	0150037	IT	87,000		87,000				\$ 87,000	-	0%
20	Data Center and Cloud Services	0150095	IT		4,611,000	4,611,000				\$ 4,611,000	-	0%
21	Electronic Courts of Appeal Record and Transcripts (eCART) Program	0150095	IT		200,000	200,000				\$ 200,000	-	0%
22	Total Allocations			\$ 4,120,000	\$ 262,001,000	\$ 266,121,000	\$ 150,000	\$ 1,310,000	\$ 1,460,000	\$ 267,581,000	\$ 1,460,000	0.55%

Totals by Office			Office	State Operations	Local Assistance	Total Approved Allocations	State Operations	Local Assistance	Total Requested Allocations	Total Proposed Allocations	\$\$ Change	% Change
Legend				E	F	G (E + F)	H	I	J (H + I)	K (G + J)	L (K - G)	M (L / G)
23	Audit Services	AS		\$ -	\$ 865,000	\$ 865,000	\$ -	\$ 1,310,000	\$ 1,310,000	\$ 2,175,000	\$ 1,310,000	151.45%
24	Branch Accounting and Procurement	BAP		1,826,000	131,000	1,957,000	-	-	-	1,957,000	-	0.00%
25	Budget Services	BS		597,000	20,188,000	20,785,000	150,000	-	150,000	20,935,000	150,000	0.72%
26	Center for Families, Children and the Courts	CFCC		1,610,000	233,495,000	235,105,000	-	-	-	235,105,000	-	0.00%
27	Facility Services	FS		-	2,511,000	2,511,000	-	-	-	2,511,000	-	0.00%
28	Information Technology	IT		87,000	4,811,000	4,898,000	-	-	-	4,898,000	-	0.00%
Total Allocations				\$ 4,120,000	\$ 262,001,000	\$ 266,121,000	\$ 150,000	\$ 1,310,000	\$ 1,460,000	\$ 267,581,000	\$ 1,460,000	0.57%

Totals by Program		Program Number	State Operations	Local Assistance	Total Approved Allocations	State Operations	Local Assistance	Total Requested Allocations	Total Proposed Allocations	\$\$ Change	% Change
Legend			E	F	G (E + F)	H	I	J (H + I)	K (G + J)	L (K - G)	M (L / G)
29	Judicial Council (Staff)	0140010	\$ 4,033,000	\$ -	\$ 4,033,000	\$ 150,000	\$ -	\$ 150,000	\$ 4,183,000	\$ 150,000	3.45%
30	Support for the Operation of the Trial Courts	0150010	-	48,674,000	48,674,000	-	-	-	48,674,000	-	0.00%
31	Court Appointed Dependency Counsel	0150011	-	186,700,000	186,700,000	-	-	-	186,700,000	-	0.00%
32	Court Interpreters	0150037	87,000	-	87,000	-	-	-	87,000	-	0.00%
33	Expenses on Behalf of the Trial Courts	0150095	-	26,627,000	26,627,000	-	1,310,000	1,310,000	27,937,000	1,310,000	7.05%
Total Allocations			\$ 4,120,000	\$ 262,001,000	\$ 266,121,000	\$ 150,000	\$ 1,310,000	\$ 1,460,000	\$ 267,581,000	\$ 1,460,000	0.57%

**Trial Court Trust Fund
Fund Condition Statement
October 2024**

Description	YEAR END FINANCIAL STATEMENTS			ESTIMATES	
	2021-22 (Financial Statements)	2022-23 (Financial Statements)	2023-24 (Financial Statements)	2024-25	2025-26
A	B	C	D	E	F
Beginning Fund Balance	162,032,593	180,993,913	234,161,463	365,958,407	191,950,270
Prior-Year Adjustments	(2,639,686)	39,095,081	52,234,508	-	-
TOTAL REVENUES AND TRANSFERS¹	1,187,495,894	1,134,044,353	1,227,300,625	1,205,215,000	1,205,215,000
Total Resources	1,346,888,801	1,354,133,348	1,513,696,595	1,571,173,407	1,397,165,270
EXPENDITURES/ENCUMBRANCES/ALLOCATIONS					
Program 0140010/0150037 - Judicial Council (Staff)	3,678,027	3,592,910	3,589,736	4,270,000	4,270,000
Program 0150010 - Support for Operation of the Trial Courts	2,217,294,000	2,466,660,242	2,632,244,156	2,567,420,137	2,552,320,137
Program 0150011 - Court-Appointed Dependency Counsel	196,700,000	211,967,000	211,616,172	186,700,000	186,700,000
Program 0150019 - Compensation of Superior Court Judges	398,004,000	423,563,000	428,118,549	450,098,000	450,098,000
Program 0150028 - Assigned Judges	47,371,000	24,111,000	23,569,452	31,860,000	31,860,000
Program 0150037 - Court Interpreters	121,413,000	124,546,000	131,951,695	134,802,000	134,802,000
Program 0150075 - Grants	9,426,000	29,840,000	29,840,016	30,329,000	10,329,000
Program 0150095 - Expenses on Behalf of the Trial Courts	14,944,000	13,750,000	13,018,675	27,937,000	27,974,000
Total Local Assistance	3,005,152,000	3,294,437,242	3,470,358,714	3,429,146,137	3,394,083,137
<i>FISCAL Assessment</i>	<i>174,000</i>	<i>174,000</i>	<i>174,000</i>	<i>174,000</i>	<i>174,000</i>
<i>Pro Rata/State Ops</i>	<i>209,861</i>	<i>184,733</i>	<i>91,623</i>	<i>77,000</i>	<i>77,000</i>
<i>Supplemental Pension Payments</i>	<i>76,000</i>	<i>76,000</i>	<i>30,116</i>		
Item 601 - Redevelopment Agency Writ Case Reimbursements	-	-	-		
Total Expenditures (includes State Ops and LA)	3,008,830,027	3,298,030,152	3,473,948,449	3,433,416,137	3,398,353,137
<i>Unallocated</i>					
<i>Less Funding Provided by General Fund:</i>	<i>1,843,395,000</i>	<i>2,178,493,000</i>	<i>2,326,506,000</i>	<i>2,054,444,000</i>	<i>2,191,744,000</i>
Total Expenditures and Expenditure Adjustments	1,165,894,888	1,119,971,885	1,147,738,188	1,379,223,137	1,206,860,137
Ending Fund Balance	180,993,913	234,161,463	365,958,407	191,950,270	190,305,133
Restricted Funds					
Total Restricted/Reserved Funds	106,311,454	139,975,854	113,346,076	108,346,076	108,346,076
Ending Unrestricted Fund Balance	74,682,460	94,185,609	252,612,331	83,604,194	81,959,057

¹ Revenue estimates are as of 2024-25 Enacted Budget