



# Judicial Council of California

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*Administrative Director of the Courts*

April 28, 2014

Ms. Diane F. Boyer-Vine  
Legislative Counsel  
State of California  
State Capitol, Room 3021  
Sacramento, California 95814

Mr. Gregory P. Schmidt  
Secretary of the Senate  
State Capitol, Room 400  
Sacramento, California 95814

Mr. E. Dotson Wilson  
Chief Clerk of the Assembly  
State Capitol, Room 3196  
Sacramento, California 95814

Mr. Michael Cohen  
Director of Finance  
California Department of Finance  
State Capitol, Room 1145  
Sacramento, California 95814

Re: Report on the Allocation of the 2 Percent Set-Aside in the Trial  
Court Trust Fund for FY 2013–2014

Dear Ms. Boyer-Vine, Mr. Schmidt, Mr. Wilson, and Mr. Cohen:

The Judicial Council respectfully submits this report, as required by Government Code section 68502.5(c)(2)(C), detailing all requests and allocations made by the Judicial Council from the set-aside of 2 percent of the total funds appropriated in Program 45.10 of Item 0250-101-0932 of the annual Budget Act. As required in Government Code section 68502.5(c)(2)(B), these funds are set aside in the Trial Court Trust Fund (TCTF) for trial courts to be allocated by the Judicial Council and to be used by the trial courts for unforeseen emergencies, unanticipated expenses for existing programs, or unavoidable funding shortfalls.

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Government Code section 68502.5(c)(2)(B) requires requests for unavoidable funding shortfalls be submitted by the trial courts to the Judicial Council no later than October 1 of each year. In response, the Judicial Council, by October 31 of each year, will review and evaluate the requests, select trial courts to receive funds, and notify those selected trial courts. No more than 75 percent of the total set-aside shall be distributed during this period. By March 15, the Judicial Council will distribute from the remaining funds if there has been a request from a qualifying trial court for unforeseen emergencies or unanticipated expenses. If there are unexpended funds after March 15, they shall be distributed to the trial courts on a prorated basis.

#### **Requests Related to Unavoidable Funding Shortfall**

The 2 percent set-aside in the TCTF for fiscal year (FY) 2013–2014 was \$35.2 million. Government Code section 68502.5(c)(2)(B) permits only up to 1.5 percent—or \$26.4 million—to be allocated by the Judicial Council by October 31 for unavoidable funding shortfall requests. No courts requested funding related to unavoidable funding shortfalls by that date.

#### **Requests Related to Unforeseen Emergencies or Unanticipated Expenditures for Existing Programs**

Government Code section 68502.5(c)(2)(B) requires that the Judicial Council, after October 31 and before March 15 of each fiscal year, distribute from the remaining funds for requests from any of the trial courts due to unforeseen emergencies or unanticipated expenses for existing programs. The Superior Court of Kings County requested funding related to unanticipated expenses. Under the council's policy, the courts' requests may be for amounts exceeding their respective contributions to the 2 percent set-aside of the TCTF.

The Superior Court of Kings County qualified for funding under the council-approved criterion of projecting a negative fund balance for the current fiscal year for unanticipated expenses. The total amount requested by the court was \$130,000. Information about this request follows:

- In 2012–2013, the Superior Court of Kings County was facing a current year estimated negative ending fund balance of \$1.968 million, which was comprised of a budget shortfall for an expenditure of \$2.11 million for a soon-to-be-unsupported, antiquated county case management system. The Judicial Council, at its February 26, 2013 business meeting, considered the court's request and approved an allocation of up to \$2.11 million over a five-year period, starting with \$733,000 in 2012–2013. The Judicial Council also stipulated that in order to receive a future distribution from the Trial Court Trust Fund 2 percent state-level reserve for 2013–2014 through 2016–2017 for the project, the court must provide to the council a projection of all project costs and detailed financial information demonstrating why it is unable to address those costs within existing resources. The Superior Court of Kings County submitted all the required financial

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information in January 2014, which projected a negative fund balance due to the \$130,000 in additional funding needed for the second year deployment cost to replace a soon-to-be-unsupportable and failing case management system. The Judicial Council considered the court's request at its February 20, 2014, business meeting and approved an allocation of \$130,000.

### **Distribution of the 2 Percent Funds**

The total amount allocated by the Judicial Council for all FY 2013–2014 requests through March 15 was \$130,000. The balance of unallocated funds from the 2 percent set-aside in the TCTF was \$35 million. A proportionate share of the \$35 million was distributed to all 58 superior courts on March 15, 2014.

Please direct any questions related to this report to Zlatko Theodorovic, Director, Fiscal Services Office, Administrative Office of the Courts (AOC), at 916-263-1397.

Very truly yours,



Steven Jahr  
Administrative Director of the Courts

SJ/PB/pb

cc: Ms. Margie Estrada, Policy Consultant, Office of Senate President pro Tempore Darrell Steinberg  
Ms. Fredericka McGee, Deputy Chief of Staff/General Counsel, Office of Assembly Speaker John A. Pérez  
Ms. Tina McGee, Executive Secretary, Legislative Analyst's Office  
Mr. Jay Sturges, Principal Program Budget Analyst, Department of Finance  
Ms. Madelynn McClain, Program Budget Analyst, Department of Finance  
Ms. Peggy Collins, Principal Consultant, Joint Legislative Budget  
Ms. Julie Salley-Gray, Consultant, Senate Budget and Fiscal Review Committee  
Mr. Matt Osterli, Consultant, Senate Republican Fiscal Office  
Mr. Marvin Deon, Consultant, Assembly Budget Committee  
Mr. Allan Cooper, Consultant, Assembly Republican Fiscal Office  
Ms. Jolie Onodera, Consultant, Senate Appropriations Committee  
Mr. Chuck Nicol, Principal Consultant, Assembly Appropriations Committee  
Mr. Benjamin Palmer, Chief Counsel, Senate Judiciary Committee

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Mr. Mike Petersen, Consultant, Senate Republican Policy Office

Mr. Drew Liebert, Chief Counsel, Assembly Judiciary Committee

Mr. Paul Dress, Consultant, Assembly Republican Policy Office

Mr. Cory T. Jasperson, Director, AOC Office of Governmental Affairs

Ms. Yvette Casillas-Sarcos, AOC Office of Governmental Affairs

Mr. Peter Allen, Senior Manager, AOC Office of Communications