

**JUDICIAL COUNCIL OF CALIFORNIA**  
**ADMINISTRATIVE OFFICE OF THE COURTS**  
455 Golden Gate Avenue  
San Francisco, California 94102-3688

**Report Summary**

TO: Members of the Judicial Council

FROM: Stephen Nash, Director, Finance Division, 415-865-7584,  
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DATE: August 27, 2007

SUBJECT: Budget Adjustment for Fiscal Year 2006–2007, Fiscal Year  
2007–2008 Trial Court Allocations, and Allocation of  
Fiscal Years 2005–2006 and 2006–2007 Workers’  
Compensation Program Savings (Action Required)

Issue Statement

The Judicial Council has statutory authority to approve the allocation of funding to the trial courts. This report presents recommendations related to (1) an adjustment for fiscal year (FY) 2006–2007 to address trial court costs for dependency counsel above budgeted levels (described in section I of this report); (2) trial court allocations for FY 2007–2008, including allocation of State Appropriations Limit (SAL) adjustment funding and two separate budget adjustments that impact trial court funding (described in sections II and III); (3) use of the savings in the Judicial Branch Workers’ Compensation Program from FY 2005–2006 and FY 2006–2007 (described in section IV); (4) impact of governor’s veto on 2007 Budget Act (described in section V); and (5) delegation of authority to the Administrative Director of the Courts (described in section VI).

Summary of Recommendations

The following recommendations are made by Administrative Office of the Courts (AOC) staff. The Trial Court Budget Working Group (TCBWG) joins in on recommendations 1–5, 7–8, 11–14.<sup>1</sup> It is recommended that the Judicial Council:

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<sup>1</sup> Recommendations 6, 9, 10, 15, and 16 are staff recommendations only. Recommendations 6 and 15 reflect legislative and the governor’s action on the budget subsequent to discussion of the issues by the Trial Court Budget Working Group. Recommendations 9 and 10 involve technical issues related to the SAL allocation that were discussed with the TBWG, although no recommendation was presented or adopted.

1. Approve, on a one-time basis for FY 2006–2007, allocation of reserves from the Trial Court Trust Fund, to the extent that funds are available, to reimburse the costs of dependency counsel in excess of the court-appointed counsel base budget.
2. Approve the allocation to the courts in FY 2007–2008 of \$396,929 for annualization of retirement changes that occurred partway through FY 2006–2007 and a net total of \$90,728 for ratified and nonratified retirement rate and plan changes projected for FY 2007–2008 from the SAL funding, as indicated in columns A, B, and C of Attachment 3. This funding will be distributed to courts once the rates are approved and ratified. Some courts will experience a reduction in their overall allocation, reflecting an expected reduction in their costs for employee retirement.
3. Allocate \$1.945 million (\$1.889 million one-time and \$56,000 ongoing) in FY 2007–2008 for staffing and operating expenses for facilities scheduled to open or transfer during the period July 1, 2007, to September 30, 2008, and \$107,000 ongoing in FY 2008–2009, as indicated in columns D, E, and F of Attachment 3.
4. Allocate \$1.021 million (\$291,000 one-time and \$729,646 ongoing) in FY 2007–2008 to address entrance screening staffing and equipment costs for new and transferring facilities scheduled to open or transfer during the period July 1, 2007, to September 30, 2008. This funding will come from one-time security funds available in the current year. \$1.527 million in ongoing funding is recommended to be allocated beginning in FY 2008–2009 from ongoing FY 2007–2008 SAL funding for staffing and operating costs for new and transferring facilities that will be available in FY 2008–2009, as indicated in columns G, H, and I of Attachment 3.
5. Approve allocation of \$74.744 million in inflation and workforce funding to the courts, to be used to meet staff compensation, operating expenses, and other costs at their discretion, as indicated in column J of Attachment 3.
6. Approve allocation of the workload growth and equity funding, in the amount of \$12.373 million, to the most under-resourced trial courts, relative to other courts, as identified by the Resource Allocation Study. The specific court-by-court allocation is displayed in column K of Attachment 3.

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Recommendation 16 represents standard technical budget delegation to the Administrative Director of the Courts. This item was not discussed with the TCBWG.

7. Allocate \$4.3 million in one-time security funding to address an ongoing security shortfall resulting from the funding of FY 2006–2007 ongoing security costs with FY 2005–2006 one-time funding.
8. Allocate \$35.4 million in both ongoing SAL funding and one-time security carryover funds to address projected cost increases for court security in FY 2007–2008, based on FY 2006–2007 existing service levels, as indicated in column L of Attachment 3. This funding is to be distributed to courts once they have notified AOC staff that security compensation and retirement cost increases are confirmed and ratified.
9. Approve allocation of new funding based upon the appropriate SAL rate (as reflected in Attachment 2) to adjust the base budget related to reimbursement and grants provided for court-appointed counsel, jury, processing of elder abuse protective orders, CASA, model self-help, equal access, family law information centers, civil case coordination, service of process for protective orders, prisoner hearing costs, costs of homicide trials, drug court projects, and equal access.
10. Allocate the full SAL adjustment available for the funding of the Court Interpreters Program. Consistent with the prior year, the allocation is displayed in two parts—inflation and workforce to address current program costs, and workload growth and equity to address growth in the Court Interpreters Program.
11. Approve allocation of the ongoing and one-time security entrance screening station funding up to a maximum of \$659,704, as indicated in columns M and N of Attachment 3.
12. Approve allocation, should the authorizing legislation be enacted, of the FY 2007–2008 operational costs portion of the new judgeship funding (one month each of ongoing security costs and nonsecurity costs, and all one-time costs, excluding facilities and judges’ salaries and benefits), as indicated in columns O, P, and Q of Attachment 3.
13. Direct that \$400,000 of the Judicial Branch Workers’ Compensation Program savings be used by AOC staff in the development of program options that will support the establishment of an ergonomics program and provision of a train-the-trainer program, or a combination of efforts, to address ergonomic issues in the courts.
14. Direct that the remaining \$86,676 in savings from the Judicial Branch Workers’ Compensation Program be used to offset program charges in FY 2007–2008 for

courts participating in the statewide workers' compensation program, as indicated in column S of Attachment 3.

15. Direct staff to prepare a recommendation to address the governor's veto of \$2.163 million in one-time funding in FY 2007–2008 related to the implementation of 50 new trial court judgeships established in FY 2006–2007, taking into consideration the judicial positions appointed prior to July 1, 2007 and the hiring of new staff by courts to support the 50 new judgeships. The recommendation is to be presented to the council by means of a circulating order.
16. Delegate authority to the Administrative Director of the Courts to make minor or technical one-time and ongoing allocations of funds to courts as needed to address unanticipated needs and contingencies, to the extent that program savings are identified during the fiscal year from reimbursable or other funds.

#### Rationale for Recommendation

Rationales for these recommendations are discussed in the attached report.

#### Alternative Actions Considered

Alternative actions considered are discussed in the attached report.

#### Comments From Interested Parties

The TCBWG met on three occasions to discuss the recommendations presented in this report.

#### Implementation Requirements and Costs

The attached report identifies the funding needed to implement each of these recommendations.

#### Attachments

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I. FY 2006–2007 Funding Issue

The FY 2006–2007 baseline funding for court-appointed counsel for dependency cases was \$94.9 million. Total FY 2006–2007 costs are projected to be between \$100.8 million (staff estimate) and \$105.0 million (based on court estimates), well over the FY 2006–2007 SAL base funding available for this program (\$94.9 million).

Based on the recommendation of AOC staff and the Trial Court Budget Working Group (TCBWG), the Judicial Council has approved full court-appointed counsel program funding in three of the past four years. This has been accomplished primarily on a retroactive basis through allocation of year-end savings identified in the Trial Court Trust Fund (TCTF). The result of using after-the-fact allocations of reimbursement funding for the program has resulted in the following structural problems with the program:

- Courts cannot accurately plan for court-appointed counsel funding each fiscal year;
- There is less incentive to implement cost control measures or otherwise manage growth in program costs; and
- The court-appointed counsel program consumes an unpredictable and increasing share of surplus funding from other program areas.

At the direction of the council, AOC staff will present a report to the council at its October 26, 2007, meeting regarding this issue. The report will identify program funding options that will support a transition to workload-based funding. In the interim, for FY 2006–2007, staff recommend that actual court costs for appointed counsel for dependency in excess of the base funding be addressed by means of an allocation of one-time savings in the TCTF, subject to the availability of funds.

#### Recommendation 1

AOC staff and the TCBWG recommend that the Judicial Council:

1. Approve, on a one-time basis for FY 2006–2007, allocation of reserves from the Trial Court Trust Fund, to the extent that funds are available, to reimburse the costs of dependency counsel in excess of the court-appointed counsel base budget.

#### Rationale for Recommendation 1

This recommendation is consistent with funding adjustments made for this program in the last two fiscal years. Meanwhile, staff are developing options for a more permanent funding approach for the program which could be implemented during FY 2007–2008. These recommendations will be presented to the council at its October 2007 meeting.

#### Alternative Actions Considered for Recommendation 1

The TCBWG also considered recommending both one-time funding to the courts in FY 2006–2007, and a separate permanent allocation from the TCTF to the court-appointed counsel program so that the ongoing baseline would equal the FY 2006–

2007 actual expenditures. The year-to-year change in the SAL would then be applied to this baseline and future statewide budget increases in the program would be capped at the SAL growth rate. This option was not recommended because it would have increased each court's baseline funding based on midyear program cost projections, which might not be accurate, and would not be based upon analysis of actual workload or per case costs, both concerns of TCBWG members.

## II. FY 2007–2008 State Appropriations Limit Funding

### *Background*

Since FY 2005–2006, trial court funding has included an annual base budget adjustment that reflected the year-to-year percentage change in the SAL. The amount of this adjustment is computed by multiplying base funding for trial courts (not including judicial compensation) by the annual percentage growth in the SAL. The SAL percentage change for FY 2007–2008 is 5.24 percent. Based on this percentage, the Legislature will provide an augmentation to trial court funding of \$124.722 million.

Attachment 1 to this report (Calculation of SAL Allocation for FY 2007–2008) displays the SAL adjustment allocation computations. Attachment 2 (Trial Court SAL Growth Factor Allocation Template) displays the recommended SAL allocations for FY 2007–2008, by program allocation and component. The SAL allocation template contains four sections: (1) funding based on actual costs—court employee retirement rate and plan cost changes; (2) baseline court allocations (excluding security)—inflation and workforce, workload growth and equity, and staff and operating costs for new and transferring facilities; (3) security, and (4) trial court reimbursement and local assistance funding. Recommendations will be discussed in the report for each of these four areas.

### *Court Employee Retirement Rate and Plan Cost Changes*

AOC staff surveyed the courts to determine the cost of court staff retirement rate and plan changes for FY 2007–2008. Based on this information, overall projected court cost increases resulting from both rate and plan changes will be \$487,657 in FY 2007–2008. (See Attachment 2, section I.A.) This amount includes both ratified and nonratified changes and represents a net of increased costs in some courts and retirement cost decreases in other courts. The exact amounts may change as pending rates are finalized. The council, at its July 2005 meeting, approved a policy that retirement funding be distributed to courts based only on confirmed or ratified rate changes. For courts that do not have confirmed rate changes but have provided expected retirement rate change information, the projected funding adjustment would be set aside until rate changes have been finalized and confirmed. In addition, the total recommended funding adjustment includes the annualized costs

of retirement rate and plan changes for several courts that occurred in FY 2006–2007.

### Recommendation 2

AOC staff and the TCBWG recommend that the Judicial Council:

2. Approve the allocation to the courts in FY 2007–2008 of \$396,929 for annualization of retirement changes that occurred partway through FY 2006–2007 and a net total of \$90,728 for ratified and nonratified retirement rate and plan changes projected for FY 2007–2008 from the SAL funding, as indicated in columns A, B, and C of Attachment 3. This funding will be distributed to courts once the rates are approved and ratified. Some courts will experience a reduction in their overall allocation, reflecting an expected reduction in their costs for employee retirement.

### Rationale for Recommendation 2

This recommendation is consistent with policies established by the council for allocation of employee retirement rate and plan changes, and with the retirement allocation methodology used in FY 2006–2007.

### Alternative Actions Considered for Recommendation 2

Based on the policies established and utilized for the past two years with regard to court staff retirement funding, no alternatives were considered.

### *Statewide Court Program Allocations*

At its April 27, 2007 meeting, the Judicial Council approved the establishment of three statewide court program allocations (previously known as “Judicial Council priorities”) for FY 2007–2008. These were: (1) staffing and operating costs for new and transferring facilities to be opened during the period July 1, 2007 through September 30, 2008; (2) access to justice, focused on self-help programs; and (3) additional staffing resources for existing conservatorship requirements. As explained at that meeting, the purpose of designating statewide court program allocations would be to set aside funding from the SAL allocation to address specific programs or costs that the council, with input from the TCBWG, presiding judges, court executives, employee organizations, other advisory groups, and the public, determines are priority areas for one-time or ongoing increases that should be addressed on a statewide basis.

In FY 2006–2007, prior to enactment of the 2006 Budget Act, the Legislature adopted supplemental report language directing that the total amount that could be provided from the SAL adjustment for the two Judicial Council priorities approved for FY 2006–2007 could not exceed \$5 million. While the language did not impose specific legal requirements on the council, the language documented legislative

intent that the allocation to courts be made within certain parameters. Consistent with this language, the funding levels approved by the Judicial Council in these two program areas totaled \$5 million.

In order to develop recommendations for the level of funding to be recommended for the FY 2007–2008 statewide court program allocations, staff and the TCBWG, at a May 15, 2007 meeting, took into account the final decisions made by the Judicial Council for the statewide allocations for the current fiscal year. As a result, the TCBWG recommended a total of \$5.0 million between the three Judicial Council–approved statewide court program allocations for FY 2007–2008. Subsequent to the TCBWG meeting, however, the Legislature approved supplemental report language for FY 2007–2008 that would eliminate statewide court program allocations, except for the staffing and operating costs of new and transferring facilities. In order to be consistent with the allocation methodology specified in the approved supplemental report language, staff and the TCBWG recommend that \$1.5 million in SAL funding, and additional prior year carryover funding as identified below, be allocated to courts for both security and non-security operational costs related to new and transferring facilities.

#### **Staffing and Operating Expenses for New and Transferring Facilities (non-security)**

Staffing and operating expenses for new and transferring facilities is an area that has been approved for funding by the Judicial Council in the two previous fiscal years. A survey was sent to the courts in May 2007, to provide courts the opportunity to identify new operating costs resulting from either the opening of a new facility or the transfer of a facility from county to state control during the period July 1, 2007, through September 30, 2008.

A total of 21 courts requested funding for nonsecurity operating costs for 33 different facilities. The total amount identified by these courts for FY 2007–2008 is \$14.705 million, of which \$12.434 million is one-time. The annualized cost in FY 2008–2009 for these requests is \$3.495 million.

In order to evaluate and prioritize these court funding requests, staff from several AOC divisions including Finance, Office of Court Construction and Management (OCCM), Information Services, and Emergency Response and Security, reviewed these requests. Due to the limited funding available for this cost area, the requests were prioritized for funding consideration. The priority categories established were: (1) high priority—non-discretionary costs directly resulting from the opening of a new facility or the transfer of existing facilities; (2) medium priority—new leased facilities space; (3) not recommended—new judgeship facilities; and (4) not recommended—facilities for program expansion. The breakdown of funding requested within these categories (not including security) is as follows:

High priority—Fifteen court requests were submitted totaling \$5.604 million in FY 2007–2008 (\$4.999 one-time and \$604,000 ongoing), and \$712,000 ongoing in FY 2007–2008.

Medium Priority—Five court requests were submitted totaling \$2.402 million in FY 2007–2008 (\$2.316 million one-time and \$87,000 ongoing), and \$278,000 ongoing in FY 2008–2009.

Not Recommended (new judgeship facilities)—Six court requests were submitted totaling \$5.122 million in FY 2007–2008 (\$4.602 million one-time and \$520,000 ongoing), and \$1.445 million ongoing for FY 2008–2009. (This is not recommended as there is a separate augmentation and funding process for new judgeship needs.)

Not Recommended (facilities for program expansion)—Seven court requests were submitted totaling \$1.577 million in FY 2007–2008 (\$517,000 one-time and \$1.060 million ongoing), and \$1.060 million ongoing for FY 2008–2009. (This area is not recommended as program expansions were largely internal to an existing facility and discretionary to the court.)

The supplemental report language adopted by the Legislature specified a limit of \$1.5 million in new SAL funding that could be allocated to this program in FY 2007–2008. In addition, staff has identified approximately \$556,000 in ongoing funding originally allocated for new facility operational costs in FY 2006–2007, but which was not distributed to courts last fiscal year due to facility implementation and transfer delays. The total funding available for allocation for this program in FY 2007–2008, therefore, is \$2.056 million.

In reviewing the individual requests, staff applied guidelines and criteria that were approved by the Judicial Council in FY 2006–2007 for this program area. Based on this review, the following items and services were not included in the recommendations: construction costs, contractor and broker fees, break-room furniture, bottled water, and salaries and benefits for positions for these facilities.

Other requested items that did not meet the criteria for recommendation for transferring facilities were: electrical wiring, heating and air conditioning duct work, hazardous materials contractors, construction projects, automated water faucets, public spectator seating, audio/video equipment, new computers and furnishings for existing staff, and electronic bulletin boards. These types of costs and services can be considered for funding by the OCCM through the facilities modification process once the transfer of a facility to the state is completed.

After reviewing the court funding requests using this approach, and based on the availability of the new and undistributed funds from FY 2006–2007, staff identified the following court funding needs, which were presented to the TCBWG on August 10:

Priority Category	FY 2007–2008		FY 2008–2009	
	One-Time	Ongoing	One-Time	Ongoing
High Priority	592,000	27,000	–	27,000
Medium Priority	1,297,000	29,000	–	80,000
<b>Total</b>	<b>\$1,889,000</b>	<b>\$56,000</b>	<b>–</b>	<b>\$107,000</b>

As in previous years, reimbursement of approved expenditures would be made upon notification to AOC by individual courts that these costs have been incurred. (See Attachment 2, section II.B.2)

Recommendation 3

AOC staff and the TCBWG recommend that the Judicial Council:

3. Allocate \$1.945 million (\$1.889 million one-time and \$56,000 ongoing) in FY 2007–2008 for staffing and operating expenses for facilities scheduled to open or transfer during the period July 1, 2007, to September 30, 2008, and \$107,000 ongoing in FY 2008–2009, as indicated in columns D, E, and F of Attachment 3.

Rationale for Recommendation 3

Because the total funding available for this specific program is limited, only what appeared to be the most critical, nondiscretionary costs that also could not be addressed through other fund streams could be accommodated within this funding recommendation. Not recommending the reimbursement of optional items that can be funded through a court’s one-time fund balance or donation, such as break-room furniture and bottled water, is consistent with council actions from previous years.

Alternative Actions Considered for Recommendation 3

Recommending funding for only the high priority requests was considered, as it would keep the costs below the \$1.5 million in new SAL funding earmarked for this program in the current fiscal year. However, with the identification of undistributed program funding from FY 2006–2007, it was determined that expenses for additional facilities costs could be accommodated within the available funding.

**Security Costs for New Facilities**

Requests for security costs for new facilities are reviewed separately from the other staffing and operating expenses for these facilities. While the Judicial Council approved allocation of funding to courts for entrance screening stations in FY 2006–2007, to the extent available, the source of the funds for the allocation was

FY 2006–2007 SAL security funds. Ultimately, after all of the mandatory cost increases for existing levels of security were determined, there was no SAL security funding remaining for the security component of costs associated with new or transferring facilities. As a result, no funding was allocated for this area in FY 2006–2007.

The funding requests for security for new facilities for FY 2007–2008 fell into two categories: equipment/furniture, and additional staffing. The equipment/furniture costs are primarily one-time in nature, while the staffing is ongoing.

Ten courts requested various types of equipment or furniture for their facilities – \$1.166 million in one-time and \$44.109 million ongoing. These include items such as cameras, wireless duress buttons, video surveillance equipment, panic alarms, card key systems, and maintenance contracts. In FY 2006–2007, the Judicial Council deferred approval of two one-time equipment requests for review for funding through separate Trial Court Improvement Fund (TCIF) monies by the AOC’s Emergency Response and Security (ERS) unit. Those two requests are still pending and are part of the FY 2007–2008 review. Of the current requests, the ERS unit agreed that it will separately review \$1.106 million of the one-time requests, possibly to be funded from TCIF funds allocated by the council for that purpose (assuming continued council support for that allocation from TCIF). Staff and the TCBWG do not recommend funding any of these items from the limited FY 2007–2008 SAL funding available for security.

As will be explained in more detail in the Security program section of this report, the FY 2007–2008 mandatory security increases for existing staffing levels will, again, utilize all of the current year SAL security funds. However, there is one-time and some ongoing security funding related to new security screening stations that was allocated but not distributed to courts because the new stations did not become operational in FY 2006–2007 as planned. Because of this, the unspent funds from FY 2006–2007 are available to be allocated, on a one-time basis, in FY 2007–2008. In addition, because the recommendation for non-security costs for new facilities is largely one-time in nature, there will be a combined \$1.582 million in ongoing funding available beginning in FY 2008–2009 from that cost area that could be used to address these new facilities security needs.

There were security staffing requests from 12 courts for 13 facilities. Courts requested staffing in the following functional areas: entrance screening (10 facilities); internal transportation, holding cells, and control rooms (7 facilities); courtroom and internal security (2 facilities); and supervision (1 facility).

Security funding for new positions is based on Judicial Council-approved funding standards. These standards were applied to the courts’ requests. This resulted in

adjustments to the level of staffing and funding that many of the courts requested. In applying the standards to each functional area, staff also took into account any positions that would transfer from another location into the location subject to the request to perform that function. Because (1) the need and funding standards for courtroom and internal security and security supervision are based primarily on matters other than facilities—the number of judicial positions and the total number of security staff throughout a court system and thus these items fall under the broader review standards applied to all court security, (2) the fact that the Judicial Council did not approve funding in these areas last year, and (3) the funding available overall is limited, funding for these functional areas is not recommended in FY 2007–2008.

The cost to fund the requests, per the standards, in the areas of entrance screening and internal transportation (IT), holding cells (HC), and control rooms (CR) is indicated in the table below. The exact ongoing amounts may change as salary and benefit rates are finalized.

<b>Functional Area</b>	<b>FY 2007–2008 Ongoing</b>	<b>One-Time</b>	<b>FY 2008–2009 (full year costs)</b>
Entrance Screening	\$729,646	\$291,000	\$1,526,565
IT/HC/CR	621,021	0	1,219,576
<b>Total</b>	<b>\$1,424,879</b>	<b>\$291,000</b>	<b>\$2,746,141</b>

#### Recommendation 4

AOC staff and the TCBWG recommend that the Judicial Council:

- Allocate \$1.021 million (\$291,000 one-time and \$729,646 ongoing) in FY 2007–2008 to address entrance screening staffing and equipment costs for new and transferring facilities scheduled to open or transfer during the period July 1, 2007, to September 30, 2008. This funding will come from one-time security funds available in the current year. \$1.527 million in ongoing funding is recommended to be allocated beginning in FY 2008–2009 from ongoing FY 2007–2008 SAL funding for staffing and operating costs for new and transferring facilities that will be available in FY 2008–2009, as indicated in columns G, H, and I of Attachment 3.

#### Rationale for Recommendation 4

The current recommendation reflects the need to fund security requirements in new facilities. The specific court-by-court recommendations were developed based on a review of court requested funds, which were then prioritized within the constraint of finite one-time and ongoing funding available for this purpose.

#### Alternative Actions Considered for Recommendation 4

Staff and the TCBWG considered not recommending any funding to address security costs for new and transferring facilities. This option was not recommended because there is a demonstrated need for security at various new court facilities, and funding has been identified in the current year and ongoing to address the costs as discussed above.

#### *Inflation and Workforce Allocation*

Beginning in FY 2005–2006, discretionary funding available to courts to address local budget priorities and needs including staff compensation, operating expenses, and program expansion, has been provided to courts through the inflation and workforce component of the SAL growth factor, which represents the cost-of-living element of SAL. (The specific computation of this adjustment is reflected in Attachment 1.) In FY 2007–2008, the adjusted inflation and workforce component of the overall SAL adjustment represents a recommended allocation of \$74.744 million (see Attachment 2, section II.A.). This funding is allocated to each trial court based on the relative size of its base budget compared to all other courts in the state. (This base funding does not include security and civil assessment funding.) This methodology provides a proportionate level of discretionary funding for each court to use to meet its specific compensation and other operational needs.

#### Recommendation 5

AOC staff and the TCBWG recommend that the Judicial Council:

5. Approve allocation of \$74.744 million in inflation and workforce funding to the courts, to be used to meet staff compensation, operating expenses, and other costs at their discretion, as indicated in column J of Attachment 3.

#### Rationale for Recommendation 5

The current recommendation is consistent with the allocations of this funding approved by the Judicial Council in the past two years.

#### Alternative Actions Considered for Recommendation 5

This recommendation is consistent with prior year methodologies and, therefore, no alternatives were considered.

#### *Workload Growth and Equity Allocation*

In FY 2005–2006, the entire adjusted workload growth and equity percentage of 0.952 percent was applied to the total trial court base budget (excluding security), which resulted in \$13.86 million in funding that was allocated to address funding needs for 28 courts identified as being relatively under-resourced compared to other courts in the state, based on an analysis of each court’s workload and resources.

In FY 2006–2007, the Legislature adopted supplemental report language that expressed legislative intent that the workload growth and equity funding be divided into two equal subcomponents. One subcomponent was to be allocated consistent with the Resource Allocation Study (RAS) model. The other subcomponent was to be allocated to all courts based on each court’s relative proportion of total state funding. While the supplemental report language was not mandatory, AOC staff and the TCBWG recommended, and the Judicial Council approved, a statewide allocation that was consistent with the methodology specified in that language. This resulted in \$5.569 million being allocated in FY 2006–2007 to the most under-resourced courts, consistent with the RAS, while an additional \$5.569 million was allocated pro-rata to all courts.

For FY 2007–2008, the Legislature approved supplemental report language that would direct *all* but \$1.5 million of the \$13.873 million in workload growth and equity funding (a total of \$12.373 million) to be allocated based on the RAS funding process, with \$1.5 million used to address the costs of staffing and operating new and transferring facilities (as discussed earlier under recommendation 3). (See Attachment 2, section II.B.1.) This means that there would be no pro rata allocation of this funding to all courts; instead, all of the funding, less the \$1.5 million, is to be allocated to the most under-resourced courts. Staff recommend that the funding be allocated in this manner.

#### *Resource Allocation Study (RAS) Funding*

Since FY 2005–2006, the RAS model has been used to (1) identify the most under-resourced courts relative to other courts, and (2) specify a progressive allocation of available workload growth and equity funding to these lesser resourced courts. A few relatively minor modifications have been made to the methodology used in determining the workload growth and equity allocation recommendation for this fiscal year. These adjustments, mostly technical, are as follows:

- The RAS model computes a projected level of staffing, and associated resources, required to process each court’s annual level of weighted filings. In FY 2006–2007, the methodology included an adjustment to the projected staffing that took into consideration the size of facilities in which the staff worked and the impact on the need for supervisors/managers for small facilities. That adjustment is not incorporated into the methodology used for the FY 2007–2008 allocation because the data that supported the adjustment was very limited, somewhat inconclusive, and because the recommended adjustment was negligible and of questionable benefit to any court.
- In FY 2006–2007, the RAS methodology included the charges to each court for implementation of statewide infrastructure initiatives and ongoing supplemental funding in the RAS model’s projected costs. As these costs are not yet finalized,

and because the effect of these costs on the overall computation is negligible, the FY 2007–2008 charges for these items are not included in this year’s computations.

- Unlike last year, the computations do not annualize the ongoing cost of proposed new judgeship funding, as the authorization for new judgeships is still pending before the Legislature, and, in any event, the additional annualized funding would not be provided to the courts until FY 2008–2009 and is therefore, not relevant to the analysis of FY 2007–2008 base budgets.

With these adjustments, the model computed funding needs for each court, based on each court’s number and mix of case filings, and statewide court costs and case-processing time averages. Based on these statewide averages, each court’s RAS-projected resources were then compared to its actual annual funding. Those courts identified as being 10 percent under-resourced or more are recommended to receive workload growth and equity allocation funding.

Given the limited funding available from the SAL adjustment that could be allocated as an equity and workload adjustment to courts identified as under-resourced, staff and the TCBWG recommend that the funding be provided only to courts that exceed the 10 percent under-resourced threshold. For FY 2007–2008, this would result in 26 courts receiving this funding. Also, in order to ensure that the courts that appear to be the most under-resourced receive a greater share of funding, similar to prior years, a progressive scale has been developed to provide larger percentage adjustments to courts with higher relative shortfalls.

#### Recommendation 6

AOC staff recommend that the Judicial Council:

6. Approve allocation of the workload growth and equity funding, in the amount of \$12.373 million, to the most under-resourced trial courts, relative to other courts, as identified by the Resource Allocation Study. The specific court-by-court allocation is displayed in column K of Attachment 3.

#### Rationale for Recommendation 6

The goal of the RAS model process is to determine which courts are under-resourced based upon each court’s filings information, relative to other courts in the state. Since the beginning of state trial court funding, there has been concern that many courts had historically been less well funded than others. Since the Judicial Council began allocating this funding to lesser resourced courts in FY 2005–2006, many courts have been able to add staff to start addressing their workload needs. Continued implementation of the RAS model for this purpose will provide funding to allow these courts to continue with their efforts to address longstanding needs,

continue to enhance the equity of court funding statewide, and to address the reality that court filings workload is growing at different rates throughout the state.

#### Alternative Actions Considered for Recommendation 6

The TCBWG discussed discontinuing the RAS model allocations for FY 2007–2008. Given continued resource inequity among courts throughout the state, and continued workload growth in excess of the average statewide growth in workload for all courts, there appears a need for additional funding focused on the most under-resourced courts.

Since the total funding represents a small percentage of funding being allocated to all courts, and given the supplemental report language that would allocate all of the available workload growth and equity funding, less \$1.5 million, to the most under-resourced courts, staff and the TCBWG recommend continuation of this specific allocation.

#### *Security*

The allocation of SAL security funding in FY 2006–2007 was a lengthy and complicated process. Each court was required to complete multiple surveys in order to provide detailed information on court security costs. Based on this information, security funding allocations were made consistent with security funding standards approved by the council.

One important result of the FY 2006–2007 security program allocation process was the establishment of a base security budget and a level of security service for each court going forward. The discussion of security funding that follows concerns marginal security cost increases and funding outside this base level security funding.

There are two funding approaches for addressing growth in court security costs for FY 2007–2008: (1) new SAL funding, which will be used to address changes in costs for existing funded service levels (\$22.9 million), and (2) a joint legislative proposal submitted on behalf of the Judicial Council and the California State Sheriffs' Association which would secure funding needed to address baseline funding shortfalls, address a policy issue related to health costs for court security retirees, and augment the level of security provided in all courts that are below the current Judicial Council–approved security funding standards (\$36.6 million, increasing to \$57.8 million in FY 2008–2009).

AOC staff held five training sessions for court and sheriff department staff in five locations throughout the state in May and early June to discuss the new allocation process and explain how to complete the security forms. While the forms were focused and simplified, the returned surveys still required detailed review and

comparison to the previous year's information. Staff contacted courts for additional information or clarification and modifications were made to the reported information where necessary. In addition, the following methodologies were used in the review:

- The baseline security FTEs were adjusted for those courts that were approved for new screening stations through the Budget Act of 2006, but have not yet implemented the new stations (the FY 2007–2008 surveys provided to the courts had already included these additional FTEs).
- For benefits, only increases due to the per enrollee changes in benefit costs, were recommended. Cost changes that resulted from projected increases in the number of benefit enrollees were difficult to verify, in some cases appeared to reflect enrollee increases that were unlikely to be achieved; consequently no funding increases are recommended for enrollee changes.
- Because development of cost standards for radios and other radio-related charges and equipment is under review and will be completed soon, no funding is recommended for these costs at this time.

Upon completion of the review using the methodology described above, the total amount requested for increased costs for security in FY 2007–2008 was \$35.4 million. There is also an ongoing shortfall of \$4.3 million from FY 2006–2007 that needs to be addressed in the current fiscal year. (This shortfall was addressed in FY 2006–2007 through the use of one-time security funds.) The FY 2007–2008 SAL security funding available to address these increased costs is \$22.9 million. (See Attachment 2, section III.A.) In addition to this funding, there is unallocated one-time SAL security funding available from previous years, including approximately \$12.5 million in one-time savings resulting from delays related to the implementation of some of the new perimeter security screening stations planned for implementation in FY 2006–2007. The exact ongoing amounts may need to be adjusted as salary and benefit rates are finalized.

#### Recommendations 7 and 8

AOC staff and the TCBWG recommend that the Judicial Council:

7. Allocate \$4.3 million in one-time security funding to address an ongoing security shortfall resulting from the funding of FY 2006–2007 ongoing security costs with FY 2005–2006 one-time funding.
8. Allocate \$35.4 million in both ongoing SAL funding and one-time security carryover funds to address projected cost increases for court security in FY 2007–2008, based on FY 2006–2007 existing service levels, as indicated in

column L of Attachment 3. This funding is to be distributed to courts once they have notified AOC staff that security compensation and retirement cost increases are confirmed and ratified.

#### Rationale for Recommendations 7 and 8

The recommendation will fund courts in FY 2007–2008 for their increased security costs based on the approved existing service level. While sufficient ongoing security funding is not available to pay all of the increased costs, sufficient one-time security funds exist to largely address these in the current year. Meanwhile, ongoing funds will be pursued through the joint security proposal. The majority of these one-time funds are from the ongoing costs associated with the new screening stations that were approved in FY 2006–2007 but not yet implemented by the courts. This is a reasonable use of these one-time funds that can only be expended on security program costs.

#### Alternative Actions Considered for Recommendations 7 and 8

An alternative to the proposed recommendation would be to not allocate any one-time security funds, but to allocate only the \$22.9 million in FY 2007–2008 SAL security funding to address security cost increases. This would mean that \$18.6 million would be available to address the cost increases in FY 2007–2008 (\$22.9 million minus the \$4.3 million shortfall). This lower level of funding could result in a need to reduce security services being provided in courts throughout the state. Because one-time security funding is available to take care of the funding need for FY 2007–2008, this alternative is not recommended.

#### *Trial Court Reimbursement and Local Assistance Funding (except for Court Interpreters Program)*

#### Recommendation 9

AOC staff recommend that the Judicial Council:

9. Approve allocation of new funding based upon the appropriate SAL rate (as reflected in Attachment 2) to adjust the base budget related to reimbursement and grants provided for court-appointed counsel, jury, processing of elder abuse protective orders, CASA, model self-help, equal access, family law information centers, civil case coordination, service of process for protective orders, prisoner hearing costs, costs of homicide trials, drug court projects, and equal access.

#### Rationale for Recommendation 9

This recommendation is consistent with prior years. This action will continue to provide additional funds to address the current and/or projected increased costs in these programs. (See Attachment 2, sections IV, A.1.2.3., B.2.3.4.5.6, C.1.2.3.4.5.)

### Alternative Actions Considered for Recommendation 9

No other specific alternatives were considered.

#### *Court Interpreters*

Consistent with the council–approved increase for FY 2006–2007, staff recommend that the court interpreter SAL growth allocation be divided into an inflation and workforce component to be used to fund current program costs, such as employee compensation increases, and a workload growth and equity component to be used to address growth of the Court Interpreters Program. (See Attachment 2, sections IV.B.1.a.b.)

### Recommendation 10

AOC staff recommend that the Judicial Council:

10. Allocate the full SAL adjustment available for the funding of the Court Interpreters Program. Consistent with the prior year, the allocation is displayed in two parts—inflation and workforce to address current program costs, and workload growth and equity to address growth in the Court Interpreters Program.

### Rationale for Recommendation 10

This recommendation is consistent with Judicial Council policy for the previous fiscal year. It funds this program in a manner similar to other court allocations (excluding security).

### Alternative Actions Considered for Recommendation 10

No specific alternatives were considered.

## III. FY 2007–2008 Budget Augmentations

There are two trial court budget augmentations included in the 2007 Budget Act: (1) security entrance screening station funding and (2) funding for 50 new judgeships. Each item is discussed in more detail below. (See Attachment 3 for recommended allocations by court.)

#### *Security entrance screening station funding*

The 2006 Budget Act provided one-time and ongoing funding to establish 97 new entrance screening stations throughout California. After this funding was approved, staff received requests from three courts for 4 additional stations. For a variety of reasons, these courts were not able to include these stations in the earlier survey of court needs. A budget change proposal (BCP) was submitted to the Governor and the Legislature in fall 2006 requesting \$632,000 to provide funding to implement

these 4 stations. The funding request consisted of \$512,000 in ongoing funding for staffing and \$120,000 in one-time funds for entrance screening equipment. Based on the October 2006 decision of the Judicial Council to increase the maximum one-time funding provided for each screening station to \$37,000 (rather than \$30,000), and the availability of one-time security funding, it is recommended that a total maximum of \$148,000 in one-time funding be provided. The breakdown of funding by court is indicated in the table below.

<b>Court System</b>	<b>Facility Name</b>	<b>Ongoing Funding</b>	<b>Maximum One-Time Funding</b>	<b>Total Funding</b>
Del Norte	Main Courthouse	\$76,082	\$37,000	\$113,082
Modoc	Main Courthouse	\$81,036	\$37,000	\$118,036
Stanislaus	Turlock Branch	\$177,293	\$37,000	\$214,293
Stanislaus	Juvenile Court	\$177,293	\$37,000	\$214,293
<b>Total:</b>		<b>\$511,704</b>	<b>\$148,000</b>	<b>\$659,704</b>

Recommendation 11

AOC staff and the TCBWG recommend that the Judicial Council:

11. Approve allocation of the ongoing and one-time security entrance screening station funding up to a maximum of \$659,704, as indicated in columns M and N of Attachment 3.

Rationale for Recommendation 11

The recommendation is consistent with the allocation of funding provided for new entrance screening stations in fiscal year 2006–2007.

Alternative Actions Considered for Recommendation 11

No alternative actions were considered, other than keeping the one-time funding cap at the original \$30,000 per requested station. Because there is other one-time security funding available, and the council has previously approved the higher cap for new screening stations, this alternative was not recommended.

*New Judgeships for FY 2007–2008*

A total of 150 new judgeships were originally requested in a BCP submitted during the fall of 2005, 50 to be created each year over a three-year period beginning in FY 2006–2007. Senate Bill 56 (Stats. 2006, ch. 290) authorized the creation of 50 new judgeships in FY 2006–2007. Funding for one month of the new judgeships, based on an effective date of April 2007, was included in the 2006 Budget Act. Additional ongoing funding will be included in the trial court base budgets in FY 2007–2008. At its February 23, 2007, meeting, the Judicial Council approved the allocation of the funding to the courts (excluding judges’ salaries and benefits, which are not

allocated directly to the courts), based on the methodology used in preparing the BCP, with some minor changes made by staff to update some of the salary and benefit data. The facilities funding was not allocated at that time as the AOC Office of Court Construction and Management is working with the courts in allocating those limited ongoing funds.

A BCP requesting an additional 100 new judgeships, 50 in FY 2007–2008 and 50 in FY 2008–2009, was submitted to the Governor and the Legislature in fall 2006. A revised proposal was submitted in January 2007 and included in the Governor’s Budget. The main purpose of the revision was to increase the one-time facilities costs associated with the new positions. The amount included in the 2007 Budget Act is \$27.767 million, of which \$24.401 million is one-time, based on the allocation of one month of the ongoing funding in that year. This recommendation is being brought at this time so that if the authorizing legislation is enacted, the funding can be allocated earlier in the fiscal year rather than waiting until the end of the fiscal year, to enable the courts to begin gearing up for their new judgeships.

The TCBWG and staff discussed allocation of the funding at a meeting in May 2007 and agreed that a recommendation should be made to allocate the funding, should the authorizing legislation be enacted, in the same manner as the funding for the first 50 judgeships approved in the Budget Act of 2006. The actual allocations would not be the same as what was included in the 2007 Budget Act, however, because, at its February 23, 2007, meeting, the Judicial Council approved an update to the 2004 Judicial Workload Assessment, which changed the number of judges some courts would receive and added and deleted a few courts from the list of those receiving new judgeships. Staff attempted to submit an updated proposal incorporating these changes after the February council meeting, but the updated proposal was not included in the 2007 Budget Act, resulting in slightly less one-time funding than was sought. Nevertheless, the funding should be allocated to courts as indicated.

#### Recommendation 12

AOC staff and the TCBWG recommend that the Judicial Council:

12. Approve allocation, should the authorizing legislation be enacted, of the FY 2007–2008 operational costs portion of the new judgeship funding (one month each of ongoing security costs and nonsecurity costs, and all one-time costs, excluding facilities and judges’ salaries and benefits), as indicated in columns O, P, and Q of Attachment 3.

#### Rationale for Recommendation 12

The proposed allocation is consistent with the policy used to allocate the funding for the first 50 judgeships approved in FY 2006–2007.

Alternative Actions Considered for Recommendation 12

No specific alternatives were considered.

IV. FY 2005–2006 and FY 2006–2007 Workers’ Compensation Program Savings

At present, 54 courts participate in the Judicial Branch Workers’ Compensation Program (JBWCP). The Workers’ Compensation Oversight Committee was established to oversee the JBWCP and to provide assistance and direction to the AOC staff managing the program. The oversight committee met on June 15, 2007, to discuss the FY 2007–2008 allocation and review options for using the \$486,676 in savings from FY 2005–2006 and FY 2006–2007. The amount and reasons for the savings or excess owed are displayed in the table below.

	FY 2005–2006	FY 2006–2007
Third Party Administration Fees	\$241,197	\$123,136
Additional Excess Premium Owed by Audit	(88,662)	--
Excess Premium	--	117,005
Loss Control Unused Allocation	--	94,000
<b>Total Savings FY 2005–2006 and FY 2006–2007</b>	<b>\$152,535</b>	<b>\$334,141</b>

Recommendations 13 and 14

AOC staff and the TCBWG recommend that the Judicial Council:

- 13. Direct that \$400,000 of the Judicial Branch Workers’ Compensation Program savings be used by AOC staff in the development of program options that will support the establishment of an ergonomics program and provision of a train-the-trainer program, or a combination of efforts, to address ergonomic issues in the courts.
- 14. Direct that the remaining \$86,676 in savings from the Judicial Branch Workers’ Compensation Program be used to offset program charges in FY 2007–2008 for courts participating in the statewide workers’ compensation program, as indicated in column S of Attachment 3.

Rationale for Recommendations 13 and 14

This recommendation is consistent with the handling of program savings received in FY 2006–2007; part of that savings was used to reduce the following year’s program premium for participating courts, provide program enhancements, with the remaining savings retained as a cash reserve in the JBWCP fund. Analysis has determined that forty-eight percent of the JBWCP claims are related to ergonomics.

The training program will be led by certified ergonomists from Marsh Risk and Insurance Services, Inc., the AOC's consultant, and will be conducted at each of the participating courts. The goal of the program is that, after training, each individual participant will possess the skill set to conduct ergonomic assessments within their respective courts on a pre-loss basis. These recommendations will provide a benefit to all 54 participating courts, as they afford some premium relief and mitigate future losses. The value added to the program will be ongoing as employees change positions and as new employees join the courts.

#### Alternative Actions Considered for Recommendations 13 and 14

The oversight committee considered two alternatives. One was to refund the entire \$486,676 to the participating courts through premium reductions for FY 2007–2008. This alternative was not favored because, while it did provide a reduction in premiums, it did not reinvest in the program to continue program enhancement. Another alternative was to retain the entire amount in reserves in the event that the program experienced an adverse year. The second option was not chosen because it does not provide the courts with any foreseeable return on the investment in the current fiscal year.

#### V. Impact of Governor's Veto on 2007 Budget Act

The Budget Act of 2007 was signed by the Governor on August 24, 2007. He took action on two specific items that impact trial court operating costs in FY 2007–2008. One action involved funding for the 50 judges approved in the Budget Act of 2006 and authorized by Senate Bill 56 and the other involved the Omnibus Conservatorship and Guardianship Reform Act of 2006. The actions taken are discussed in more detail below.

##### *50 New Trial Court Judgeships Established in FY 2006–2007*

The Governor reduced the FY 2007–2008 ongoing allocation for the 50 new judgeships enacted in FY 2006–2007 by \$2.980 million. In explaining this action, the Governor stated “Due to the timing of appointments, one month of the funding for new judgeships will not be necessary in 2007–08.” Because part of this funding is for the salaries and benefits of the judges, which is not allocated directly to the court, and part for facilities funding, which will not be allocated directly to all courts, the actual impact to the budgets of the trial courts that were authorized to receive these judgeships would be approximately \$2.163 million. As of the beginning of this fiscal year, 23 judges were appointed in 10 courts. AOC Finance staff propose to prepare a recommended allocation that will look at those courts that have had judges in place for the past two months, as well as those courts that have not had any judges appointed yet, but have hired staff to support the judges in expectation of their appointment. A recommended allocation will be sent to the

Judicial Council for consideration by means of a circulating order so that appropriate reductions can be made as part of the regular October distribution.

#### Recommendation 15

AOC staff recommend that the Judicial Council:

15. Direct staff to prepare a recommendation to address the governor's veto of \$2.163 million in one-time funding in FY 2007–2008 related to the implementation of 50 new trial court judgeships established in FY 2006–2007, taking into consideration the judicial positions appointed prior to July 1, 2007 and the hiring of new staff by courts to support the 50 new judgeships. The recommendation is to be presented to the council by means of a circulating order.

#### Rationale for Recommendation 15

The 20 courts that were included in the Budget Act of 2006 to receive new judgeships have known that they would receive these new positions for over a year. The Judicial Council approved allocation of one month of ongoing operational funding to the courts at its February 23, 2007 meeting. Staff surveyed the courts in early June to determine how they had spent this funding so far, and what their plans were for the remaining funding through the end of the fiscal year. Some courts hired staff in advance, thus incurring ongoing costs, while others hired fewer, or no staff, and concentrated more on one-time costs such as equipment, furniture, and legal reference materials. Staff believe that these factors should be taken into consideration when deciding how much and where reductions in this funding should be made.

#### Alternative Actions Considered for Recommendation 15

Staff considered an across-the-board proration to all 20 courts that were authorized to receive these new judgeships. This alternative is not recommended because some courts have had judges in place for the past two months, thus incurring support costs for these judges, while others have not. On the other hand, some courts hired support staff well in advance of a judge being appointed, to provide time to train the new employees so that they would be ready to work as soon as the new judge was in place. It would not be equitable to reduce such a court's funding, just because their judge has not yet been appointed.

#### *Omnibus Conservatorship and Guardianship Reform Act (information only, no recommendation)*

In September 2006, the Governor signed Assembly Bill 1363 (AB 1363), Senate Bill 1716 (SB 1716), Senate Bill 1116, and Senate Bill 1550, collectively known as the Omnibus Conservatorship and Guardianship Reform Act of 2006. SB 1716 and AB 1363 have cost implications for the trial courts.

Due to the very limited amount of time allowed to prepare a budget change proposal (BCP) once the legislation was enacted, and because it became clear very early on that courts did not track the conservatorship workload in a manner that would provide accurate and meaningful data to fully support and document the workload associated with this new legislation, AOC staff worked with the ten largest courts to identify the workload implications of the statutes and to estimate potential costs to the courts. Based upon this information, a BCP was developed and submitted to the Governor in the fall of 2006 to seek new funding to address costs related to the implementation of the legislation.

Two-year, limited-term funding was included in the Governor's Proposed Budget and was approved by the Legislature. Finance and Office of Court Research (OCR) staff have been working to develop allocations for these funds. Detailed discussions were held with the Trial Court Budget Working Group on the methodology used to determine allocations. However, this funding is not included in the 2007 Budget Act. The governor reduced the pending funding for the Judicial Branch by \$17.377 million for the implementation of the Omnibus Conservatorship and Guardianship Reform Act of 2006. The governor's veto message stated "It is my intention for the Judicial Branch to delay implementation of the Act until the 2008–2009 fiscal year."

The legislation became effective on July 1, 2007. Since that time, courts have been incurring costs including hiring staff, in order that the requirements of the legislation could be implemented with the start of the current fiscal year. Now, two months into the fiscal year, the Judicial Branch has been made aware that there will be no augmentation of funds to implement the new requirements in the current fiscal year. Staff will review the impact of the governor's action with the courts, especially with regard to the impact this delay in the program will have on the public, as the courts are not resourced sufficiently to provide all of the safeguards required by the law, to the vulnerable individuals covered by the new requirements. Staff will also endeavor to explore every possible avenue to address this current year need at the state level.

## VI. Delegation of Authority

### Recommendation 16

AOC staff recommend that the Judicial Council:

16. Delegate authority to the Administrative Director of the Courts to make minor or technical one-time and ongoing allocations of funds to courts as needed to address unanticipated needs and contingencies, to the extent that program savings are identified during the fiscal year from reimbursable or other funds.

### Rationale for Recommendation 16

With some of the allocations included in this report, the actual amounts may change as more updated information is received from the courts, such as changes in agreements for retirement or security salary and benefit costs. Rather than coming back to the council to seek authority to amend these allocations, having the authority delegated to the Administrative Director to do so in advance will facilitate allocating funding when final amounts are known. In addition, each year some courts incur unanticipated costs which, depending on the financial health of the court, may be difficult to address, creating a cash flow problem. Such unanticipated issues make it advisable that the Administrative Director have the ability to direct unallocated Trial Court Trust Fund monies in an efficient and flexible manner.

### Alternative Actions Considered for Recommendation 16

No specific alternatives were considered, other than coming back to the council any time technical adjustments need to be made, which can cause delays.

### Comments from Interested Parties

The TCBWG met on three occasions to discuss recommendations presented in this report.

### Implementation Requirements and Costs

The report identifies the funding needed to implement each of these recommendations.

Attachments

**Calculation of SAL Allocation For  
FY 2007-2008**

**Attachment 1**

	A	B	C	D	E
	<b>Base Budget &amp; SAL Factors</b>				
		<b>Base Budget</b>			
1	Court Allocations (Excluding Security)	\$ 1,700,014,215			
2	Security	438,705,586			
3	Reimbursement & Local Assistance Funding	241,469,667			
4	<b>Totals</b>	\$ 2,380,189,468			
5	SAL Factor:				
6	Inflation & Workforce	4.42%			
7	Workload Growth	0.82%			
8	<b>Total SAL Factor</b>	5.24%			

	SAL Funding Allocation Calculations				
9	Total SAL Adjustment Funding	\$ 124,721,928			
	<b>Adjustments:</b>				
10	Court Employee Retirement Rate & Plan Cost Changes	(487,657)			
11	Security Funding	(22,988,173)			
12	Statewide Court Program Allocations				
13	<b>Net SAL Adjustment Funding</b>	\$ 101,246,098			
14	<b>Net SAL Funding Adjustment</b>	\$ 101,246,098	=	5.2149%	% of Funding Increase on Base Budget (Excluding Security)
15	<b>Total Base Budget (excluding Security)</b>	\$ 1,941,483,882			
16	<b>Inflation &amp; Workforce</b>	4.42%	=	84.3511%	Inflation & Workforce as % of Total SAL
17	<b>Total SAL Factor</b>	5.24%			
18	<b>Workload</b>	0.82%	=	15.6489%	Workload as % of Total SAL
19	<b>Total SAL Factor</b>	5.24%			
20	<b>Adjusted Inflation &amp; Workforce</b>	5.2149%	X	84.3511%	= 4.3988%
21	<b>Adjusted Workload</b>	5.2149%	X	15.6489%	= 0.8161%

	SAL Funding Allocations	Base Budget	Inflation & Workforce (4.4%)	Workload (0.82%)	Total SAL Adjustment Funding
22	Court Allocations (Excluding Security)	\$ 1,700,014,215	\$ 74,780,444	\$ 13,873,295	\$ 88,653,740
23	Reimbursement & Local Assistance Funding	241,469,667	10,621,799	1,970,560	12,592,359
24	<b>Totals</b>	\$ 1,941,483,882	\$ 85,402,243	\$ 15,843,855	\$ 101,246,098

**TRIAL COURT  
SAL GROWTH FACTOR  
ALLOCATION TEMPLATE  
FY 2007-2008**

## ADJUSTED SAL GROWTH FACTOR

Inflation & Workforce	4.3988%
Workload Growth & Equity	0.8161%
<b>Total Adjusted SAL Growth Rate</b>	<b>5.2149%</b>

## SAL GROWTH FACTOR

Inflation & Workforce	4.42%
Workload Growth & Equity	0.82%
<b>Total SAL Growth Rate</b>	<b>5.24%</b>

	A	B	C
	Base Budget Amount	SAL/Other Factor	Ongoing SAL Adjustment (A x B or Actual)
<b>2007-2008 SAL FUNDING ADJUSTMENT</b>			
Plus Undesignated Carryover from PY SAL Allocation			
Plus Security Carryover from PY SAL Allocation			
Plus Security Carryover from PY Trial Court Trust Fund Allocation			
Transfer To/From Trial Court Employee Retirement Account			
<b>TOTAL FUNDS AVAILABLE FOR ALLOCATION</b>	<b>\$2,380,189,468</b>	5.2400%	<b>\$ 124,721,928</b>
<b>I. FUNDING BASED ON ACTUAL COSTS:</b>			
A. Court Employee Retirement Rate & Plan Cost Changes			487,657
B. Statewide Court Program Allocations			
<b>TOTAL FUNDING BASED ON ACTUAL COSTS</b>			<b>487,657</b>
<b>FUNDS AVAILABLE FOR ALLOCATION TO COURTS:</b>			124,234,271
<b>II. Court Allocations (Excluding Security)</b>			
A. Inflation & Workforce	\$1,700,014,215	4.3988%	74,743,605
B. Workload Growth & Equity	\$1,700,014,215		
1. Resource Allocation Study Funding		0.8161%	12,373,295
2. Staff & Operating Costs for New & Transferring Facilities			1,500,000
<b>TOTAL COURT ALLOCATIONS (EXCLUDING SECURITY)</b>			
<b>III. Security:</b>			
A. CY SAL Allocation	438,705,586	5.2400%	22,988,173
B. PY Carryovers			
<b>IV. Trial Court Reimbursement &amp; Local Assistance Funding</b>			
A. <b>Unscheduled Reimbursement Programs</b>			
1. Court Appointed Counsel	94,912,559	5.2400%	4,973,418
2. Jury	33,828,181	5.2400%	1,772,597
3. Processing of Elder Abuse Protective Orders	350,000	5.2400%	18,340
B. <b>Scheduled Reimbursement Programs</b>			
1. <b>Interpreters</b>	85,770,259		
a. Inflation & Workforce		4.3988%	3,772,873
b. Workload Growth & Equity		0.8161%	699,945
2. CASA	2,118,460	5.2149%	110,475
3. Model Self-Help	916,091	5.2149%	47,773
4. Equal Access	5,255,015	5.2149%	274,043
5. Family Law Information Centers	330,321	5.2149%	17,226
6. Civil Case Coordination	413,781	5.2149%	21,578
C. <b>Scheduled Local Assistance Programs</b>			
1. Service of Process for Protective Orders	3,349,000	5.2400%	175,488
2. Prisoner Hearings Costs	2,854,000	5.2400%	149,550
3. Cost of Homicide Trials	284,000	5.2400%	14,882
4. Drug Court Projects	1,116,000	5.2400%	58,478
5. Equal Access	9,972,000	5.2400%	522,533
<b>TOTAL TRIAL COURT REIMBURSEMENT &amp; LOCAL ASSISTANCE PROGRAMS</b>	<b>\$ 241,469,667</b>		<b>\$ 12,629,198</b>
<b>TOTAL FUNDING ALLOCATED TO COURTS</b>			<b>124,721,928</b>

## Proposed Allocation of FY 2007-2008 SAL Funding, BCP Funding and JBWCP Program Savings

I	FY 2007-08 Base Budget* (excluding security)	FY 2007-08 Security Base Budget**	FY 2007-08 Base Budget	Retirement Rate and Plan Changes			New and Transferring Facilities					
				FY 2006-07 Adjustments and Annualization	FY 2007-08 Ratified	FY 2007-08 Non-Ratified	FY 2007-08 One-Time Funding for Non- Security Expenses of New and Transferring Facilities	FY 2007-08 Ongoing Funding for Non- Security Expenses of New and Transferring Facilities	FY 2008-09 Ongoing Funding for Non- Security Expenses of New and Transferring Facilities	FY 2007-08 One-Time Funding for Security for New and Transferring Facilities (Screening Stations)	FY 2007-08 Ongoing Funding for Security for New and Transferring Facilities	
												A
Alameda	86,487,664	22,794,254	109,281,918	300,690	-	1,549,385						
Alpine	615,750	12,034	627,784	-	-	-						
Amador	2,274,318	512,804	2,787,122	-	-	-	24,924	6,600	6,600		32,000	
Butte	8,974,026	2,097,858	11,071,883	-	-	-	3,640					
Calaveras	2,198,131	256,898	2,455,028	-	(2,449)	-						
Colusa	1,612,362	109,975	1,722,337	-	(16,834)	-						
Contra Costa	41,054,803	12,449,127	53,503,930	-	(281,640)	-						
Del Norte	2,435,619	167,881	2,603,500	-	-	-						
El Dorado	7,471,467	1,907,230	9,378,697	(15,307)	-	130						
Fresno	37,602,147	9,788,436	47,390,583	-	-	1,452,175					37,000	91,885
Glenn	2,007,598	266,019	2,273,617	-	(2,071)	-						
Humboldt	5,786,425	1,027,899	6,814,323	-	(12,157)	-						
Imperial	7,583,595	1,242,763	8,826,358	-	(130,406)	-	163,000	12,600	14,600		37,000	25,459
Inyo	2,022,588	236,084	2,258,672	-	-	-						
Kern	33,795,693	8,307,304	42,102,997	-	-	(119,857)						
Kings	5,951,102	855,151	6,806,252	19,901	14,274	-						
Lake	3,193,035	486,154	3,679,189	-	855	-						
Lassen	2,184,833	222,333	2,407,166	-	4,644	-						
Los Angeles	504,749,646	135,651,925	640,401,572	-	-	(4,822,684)	291,962					
Madera	6,040,739	1,024,975	7,065,715	-	-	3,155	33,175					
Marin	16,041,554	2,513,671	18,555,225	-	140,174	-						
Mariposa	1,105,794	57,471	1,163,265	-	2,761	-						
Mendocino	5,039,603	1,213,805	6,253,408	-	(98,176)	-						
Merced	9,694,668	2,107,876	11,802,544	-	438,729	-						
Modoc	957,891	22,101	979,992	-	-	-						
Mono	1,383,398	118,758	1,502,156	-	-	26,484						
Monterey	15,518,367	3,393,106	18,911,474	-	16,158	-						
Napa	7,539,320	1,724,141	9,263,461	-	18,261	-						
Nevada	4,860,728	1,044,802	5,905,530	-	-	-						
Orange	146,861,916	37,910,593	184,772,510	-	-	502,765					37,000	212,073
Placer	12,806,342	2,644,126	15,450,468	-	44,300	-	275,000					85,486
Plumas	1,657,526	170,773	1,828,299	-	-	3,308	29,250					
Riverside	71,141,200	14,189,171	85,330,371	-	21,919	-	930	2,970	2,970			
Sacramento	73,109,604	20,131,614	93,241,218	-	-	(113,081)					74,000	39,924
San Benito	2,616,679	191,982	2,808,662	-	(5,356)	-						
San Bernardino	74,070,212	24,537,254	98,607,466	-	-	(1,678,854)						
San Diego	151,036,014	30,148,056	181,184,070	-	-	-	305,975					
San Francisco	62,787,068	9,215,097	72,002,165	-	(149,795)	-						
San Joaquin	24,966,760	6,537,440	31,504,200	129,465	-	67,841					37,000	154,076
San Luis Obispo	12,601,989	3,148,628	15,750,617	-	583,468	-						
San Mateo	35,788,225	7,924,332	43,712,557	-	(49,726)	-						
Santa Barbara	20,643,771	4,710,283	25,354,054	-	-	232,950						
Santa Clara	85,109,330	25,431,873	110,541,203	-	2,055,479	-						
Santa Cruz	12,193,550	2,308,872	14,502,422	-	26,823	-	210,592	17,500	17,500			46,531
Shasta	8,640,035	1,772,463	10,412,498	-	-	53,480						
Sierra	592,258	21,248	613,506	-	3,414	-						
Siskiyou	3,934,232	576,101	4,510,333	-	(3,767)	-	14,500					
Solano	20,095,756	4,775,664	24,871,420	-	70,605	-	38,705					
Sonoma	22,019,992	6,263,309	28,283,301	-	-	139,856	497,687	16,256	65,023			
Stanislaus	16,614,917	3,641,846	20,256,763	-	-	(121,159)					37,000	74,212
Sutter	3,957,719	687,217	4,644,936	-	9,338	-						
Tehama	3,292,439	398,386	3,690,824	-	(1,631)	-						
Trinity	1,108,012	144,459	1,252,471	(12,666)	36,530	-						
Tulare	15,319,065	4,042,640	19,361,705	-	-	79,388						
Tuolumne	3,124,055	398,656	3,522,711	-	(17,264)	-						
Ventura	29,915,769	11,123,598	41,039,367	(24,818)	121,039	-						
Yolo	7,906,614	2,304,140	10,210,753	-	(12,075)	-						
Yuba	3,619,819	533,256	4,153,075	(336)	10,022	-						
<b>Total:</b>	<b>1,753,713,732</b>	<b>437,495,914</b>	<b>2,191,209,646</b>	<b>396,929</b>	<b>2,835,447</b>	<b>(2,744,719)</b>	<b>1,889,340</b>	<b>55,926</b>	<b>106,693</b>	<b>291,000</b>	<b>729,646</b>	

\* Includes subordinate judicial officer salaries, compensation, and benefits.

\*\* 2006 Budget Act funding for new entrance screening staffing was only included for courts that implemented the stations in FY 2006-07 or early FY 2007-08.

## Proposed Allocation of FY 2007-2008 SAL Funding, BCP Funding and JBWCP Program Savings

I	Other SAL Funding				FY 2007-08 BCPs					Adjusted FY 2007-08 Base Budget (excludes one-time and FY 2008-09 amounts)	FY 2005-06 and 2006-07 Adjustment to JBWCP Premium
	FY 2008-09 Ongoing Funding for Security for New and Transferring Facilities	Inflation & Workforce	Workload Growth & Equity -- RAS Funding (above 10% threshold)	FY 2007-08 Security (from SAL and one-time Security funding)	Ongoing New Entrance Screening Stations	Maximum One-Time for New Entrance Screening Stations	One-Month of Ongoing Security New Judgeships Funding	One-Month of Ongoing Non-Security New Judgeships Funding	One-Time New Judgeships Funding		
	J	K	L	M	N	O	P	Q	R	S	
Alameda		3,782,338	-	1,320,234					116,234,565	(13,269)	
Alpine		27,738	-	-					655,522	(7)	
Amador		102,451	76,997	47,660					3,020,830	289	
Butte		394,561	-	99,606			8,220	28,234	59,000	11,602,505	1,933
Calaveras		99,019	74,800	15,924						2,642,322	11
Colusa		72,632	53,866	22,027						1,854,028	(78)
Contra Costa		1,758,641	-	446,976			14,677	38,395	59,000	55,480,978	(2,220)
Del Norte		109,717	247,050	29,694	76,082	37,000	4,821	30,041	65,500	3,100,906	(620)
El Dorado		313,306	-	170,479						9,847,305	(1,144)
Fresno	183,770	1,640,011	-	1,782,733			38,925	118,390	197,000	52,514,703	3,155
Glenn		90,436	123,001	24,751						2,509,734	(3)
Humboldt		251,888	-	74,886						7,128,941	(220)
Imperial	76,378	327,372	262,563	97,584						9,421,531	1,566
Inyo		91,112	-	11,803						2,361,586	
Kern		1,451,715	-	210,325			33,239	99,042	151,000	43,777,460	(12,202)
Kings		260,708	97,874	75,064			6,646	27,244	59,000	7,307,964	375
Lake		137,647	105,484	41,451						3,964,626	193
Lassen		98,420	136,009	28,432						2,674,671	(38)
Los Angeles		20,330,990	-	14,314,833			10,177	39,581	59,000	670,274,469	
Madera		272,118	135,317	138,799			7,786	28,370	59,000	7,651,259	658
Marin		691,141	-	79,622						19,466,162	(384)
Mariposa		49,813	5,335	102,198						1,323,371	(307)
Mendocino		227,019	-	48,466						6,430,718	369
Merced		405,483	591,031	38,267			20,662	61,809	105,000	13,358,525	(1,219)
Modoc		43,150	51,462	-	81,036	37,000				1,155,640	1
Mono		62,318	-	-						1,590,958	
Monterey		688,807	421,493	370,878			11,078	32,093	59,000	20,451,981	729
Napa		329,479	-	60,448						9,671,649	307
Nevada		211,262	-	58,089						6,174,881	344
Orange	254,488	6,364,083	-	4,409,507			12,392	36,812	59,000	196,310,142	(18,123)
Placer	128,230	543,919	794,998	616,352			19,426	72,835	105,000	17,627,784	920
Plumas		74,667	-	18,165						1,924,438	14
Riverside		3,061,820	2,457,877	536,425			67,872	225,528	348,000	91,704,783	(1,344)
Sacramento	479,080	3,179,057	-	694,077			75,309	222,156	302,000	97,338,660	(7,293)
San Benito		117,874	166,000	14,623						3,101,801	2
San Bernardino		3,224,802	2,596,137	1,038,899			78,468	224,715	348,000	104,091,634	(11,842)
San Diego		6,604,135	-	1,761,519						189,549,724	(6,341)
San Francisco		2,727,300	-	638,616						75,218,286	(6,482)
San Joaquin	205,435	1,101,601	1,636,080	759,927			36,600	106,611	151,000	35,496,401	(2,784)
San Luis Obispo		537,254	426,070	256,724						17,554,133	(751)
San Mateo		1,556,275	-	492,289						45,711,394	(5,847)
Santa Barbara		899,754	-	170,172						26,656,930	1,084
Santa Clara		3,774,090	-	1,748,226						118,118,998	(2,849)
Santa Cruz	50,761	527,861	-	163,328						15,284,466	(1,749)
Shasta		381,948	301,641	98,682			6,035	29,747	65,500	11,284,031	(1,820)
Sierra		26,679	-	-						643,600	524
Siskiyou		173,605	-	44,095						4,724,267	(26)
Solano		865,021	-	191,176			10,222	35,189	59,000	26,043,633	2,260
Sonoma		958,806	-	258,809			13,644	40,672	59,000	29,711,344	(4,314)
Stanislaus	148,424	726,148	581,113	71,633	354,586	74,000	19,444	67,770	105,000	22,030,510	(455)
Sutter		178,284	-	63,571						4,896,128	(1,455)
Tehama		148,315	114,065	21,355						3,972,927	(441)
Trinity		49,913	-	56,762						1,383,010	151
Tulare		661,698	530,568	821,598			14,329	56,781	105,000	21,526,066	2,037
Tuolumne		139,982	-	66,071						3,711,501	483
Ventura		1,321,106	-	479,799						42,936,494	422
Yolo		333,253	260,839	207,221			8,105	30,874	59,000	11,038,970	1,126
Yuba		163,062	125,625	22,135						4,473,583	
<b>Total:</b>	<b>1,526,566</b>	<b>74,743,605</b>	<b>12,373,295</b>	<b>35,432,984</b>	<b>511,704</b>	<b>148,000</b>	<b>518,077</b>	<b>1,652,889</b>	<b>2,638,000</b>	<b>2,317,715,430</b>	<b>(86,676)</b>