



Judicial Council of California · Administrative Office of the Courts

455 Golden Gate Avenue · San Francisco, California 94102-3688

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on October 28, 2011

Title	Agenda Item Type
Trial Court Allocations: Process and Criteria for Supplemental Funding	Action Required
Rules, Forms, Standards, or Statutes Affected	Effective Date
None	October 28, 2011
Recommended by	Date of Report
Hon. David Rosenberg, Presiding Judge Superior Court of Yolo County	October 25, 2011
Mr. David H. Yamasaki, Court Executive Officer Superior Court of Santa Clara County	Contact Steven Chang, 415-865-7195 steven.chang@jud.ca.gov
Mr. Zlatko Theodorovic, Director Finance Division Administrative Office of the Courts	Zlatko Theodorovic, 415-865-7584 zlatko.theodorovic@jud.ca.gov

Executive Summary

At its meeting on August 25, 2011, the Judicial Council directed Administrative Office of the Courts (AOC) staff, in consultation with the trial courts, to reexamine the criteria and process for seeking urgent needs funding and report back to the council at October 28 2011 meeting. The Honorable David Rosenberg, Presiding Judge, Superior Court of Yolo County; David H. Yamasaki, Court Executive Officer, Superior Court of Santa Clara County; and the AOC, on behalf of 12 trial court judges and executive officers, recommends revising and updating the current forms, processes, and criteria related to supplemental funding for urgent needs and consideration of other recommendations related to supplemental funding. The current forms and processes should be streamlined and consolidated into one process with a single form. In

addition, the criteria for applying and evaluating supplemental funding for urgent needs should be updated.

Recommendation

Although nothing in Government Code section 77209(b) requires the council to adopt any criteria or process (the statute simply provides that money in the reserve may be allocated to courts for “urgent needs”¹), the Honorable David Rosenberg, Presiding Judge, Superior Court of Yolo County; David H. Yamasaki, Court Executive Officer, Superior Court of Santa Clara County; and the Administrative Office of the Courts (AOC), on behalf of 12 trial court judges and executive officers (see Attachment E), present the following recommendations regarding supplemental funding:

1. Discontinue the processes for applying for supplemental funding for urgent needs established by *Finance Memos 2002–003 and 2003–005* (see discussion in the rationale);
2. Approve a single form, *Application for Supplemental Funding*, for trial courts to use to apply for supplemental funding, including cash advances and urgent needs funding (see discussion in the rationale and Attachment A);
3. Approve a revised process for requesting cash advances where requests are submitted to the AOC Finance Director for consideration, as described in the rationale;
4. Approve a revised process for requesting urgent needs funding where all requests are submitted to the council for consideration, as described in the rationale;
5. Approve criteria that specify the circumstances under which trial courts can apply for urgent needs funding, as described in the rationale;
6. Approve criteria that will be used by the council to evaluate requests for urgent needs funding, as described in the rationale;
7. Consider appropriate terms and conditions that courts must accept in order to receive supplemental funding for urgent needs, as described in the rationale;
8. Direct AOC staff to revise the internal guidelines for the Improvement Fund so that it is consistent with actions regarding urgent needs funding taken by the council at its October 28,

¹ By contrast, Government Code section 77202(b) provides more detailed principles for the money from the Trial Court Trust Fund, which must be allocated to the trial courts “in a manner that best ensures the ability of the courts to carry out their functions, promotes implementation of statewide policies, and promotes the immediate implementation of efficiencies and cost-saving measures in court operations, in order to guarantee access to justice to citizens of the state.”

2011 meeting and to propose any other revisions for the council's consideration (see discussion in the rationale);

9. Carry forward unspent FY 2011–2012 urgent needs monies in the Improvement Fund, if any, for use as urgent needs monies in FY 2012–2013 (see discussion in the rationale);
10. Direct AOC staff, in consultation with trial court representatives, to reexamine the supplemental funding process for statewide administrative initiative costs and report back to the council with recommendations (see discussion in the rationale); and
11. Direct AOC staff to identify other monies in the trial court special funds, beyond the urgent needs monies, that can be used to provide supplemental funding to courts and report back to the council at its February 2012 meeting (see discussion in the rationale).

Previous Council Action

Allocation of urgent needs monies

From FY 2000–2001 through FY 2010–2011, the Judicial Council, the Executive and Planning Committee on behalf of the council, and the Administrative Director of the Courts through delegated authority from the council have collectively allocated \$6.4 million to 30 courts from the annual Trial Court Trust Fund transfer monies set aside in the Improvement Fund for urgent needs through March 15 of each fiscal year.

Current processes and criteria

Since the establishment in 2002 of a formal process for requesting supplemental funding for urgent needs, there are four types of urgent needs for which courts can request funding: (1) costs associated with extraordinary homicide cases (e.g., *People v. Stayner* and *People v. Peterson*), (2) cash advances (in the form of loans), (3) one-time deficiencies due to unanticipated expenditures, and (4) emergency funding due to the impact of unallocated budget reductions.

At its January 30, 2002, meeting, the council approved, effective February 1, 2002, internal guidelines for the Trial Court Improvement Fund, which included a definition of “urgent need” as “an unanticipated or critical financial obligation that cannot be reasonably funded from within the local court’s budget and that requires a one-time allocation of funds within the fiscal year in which the urgent need arises.” The current guidelines, revised in January 2007, define an urgent need as

an unanticipated critical financial obligation beyond the court’s prudent management of its resources that cannot be reasonably eliminated, deferred, or funded from within the local court’s budget and that requires a one-time allocation of funds within the fiscal year in which the urgent need arises. (See Attachment B.)

On May 8, 2002, the director of the AOC Finance Division issued *Finance Memo 2002–003*, which provided direction to the trial courts on the procedure for requesting one-time

supplemental funding for cash advances needed because of the timing of reimbursements receipts, deficiency requests due to unanticipated expenditures, and extraordinary costs related to homicide cases (see Attachment C).

In response to the unallocated reductions to trial court funding in FY 2002–2003, the council at its February 2003 meeting directed AOC staff “to establish strict guidelines, including an approval and appeals process, for utilization of these funds” to address the impact of those reductions. This resulted in the issuance of *Finance Memo 2003–005*, which established the process and criteria for receiving urgent needs requests from the Trial Court Improvement Fund due to the impact of unallocated budget reductions (see Attachment D). As provided in the Finance Memo, courts can apply for supplemental funding for urgent needs in order to avoid layoffs, mandatory furloughs, reduced hours, or court closures necessitated by unallocated funding reductions. The criteria for emergency funding as described in *Finance Memo 2003-005* are as follows:

Total emergency funding from the Trial Court Improvement Fund (TCIF) is limited to resource availability. Only one-time funding can be provided to courts through this process. Courts must have exhausted all available reserves not otherwise dedicated to critical needs. Courts must indicate the steps taken to address the unallocated reduction that is causing the hardship, why resources aren’t available, what will occur if funding is not approved, public service impacts, and other relevant information. In addition, to be eligible for funding, requests must specifically address the avoidance of one of the following:

- Layoffs
- Mandatory furloughs
- Reduced hours (less than the minimum standard operating requirements established by the Judicial Council)
- Court closures

Finance Memo 2003–005 also addressed the process for requesting emergency funding, which includes submitting the *Request for TCIF Emergency Funding* form.

Reexamination of current processes and criteria

At its meeting on August 25, 2011, the council observed that the above-stated criteria and process need to be reexamined in light of current fiscal conditions. The council directed AOC staff, in consultation with the trial courts, to reexamine the criteria and process for seeking urgent needs funding and report back to the council in October 2011. A group of six judges and six court executive officers, who were subsequently separated into two subgroups, met several times to reexamine the current processes and criteria related to supplemental funding and to discuss revisions and updates to those processes and criteria (see Attachment E). In addition, the Trial Court Budget Working Group was provided a copy of this report.

Recommendation 1: Current Process Related to Urgent Needs

1. Discontinue the processes for applying for supplemental funding for urgent needs established by *Finance Memos 2002–003 and 2003–005* (see discussion in the rationale).

Rationale for recommendation 1

The current two processes for requesting supplemental funding for urgent needs established by *Finance Memos 2002–003 and 2003–005* should be discontinued and replaced with the revised form, processes, and criteria detailed in recommendations 2 through 7.

Recommendation 2: Single Request Form for Supplemental Funding

2. Approve a single form, *Application for Supplemental Funding*, for trial courts to use to apply for supplemental funding, including cash advances and urgent needs funding (see discussion in the rationale and Attachment A).

Rationale for recommendation 2

The current two forms for requesting supplemental funding for urgent needs under the processes established by *Finance Memos 2002–003 and 2003–005* should be discontinued and replaced with a single form, *Application for Supplemental Funding* (see Attachment A). The form is designed to accommodate possible new types of supplemental funding requests, but will initially only be used for cash advances and urgent needs funding requests. Requests for deficiency funding (related to unanticipated if not unavoidable expenditures) and emergency funding (related to funding reductions or revenue declines) are merely different types of urgent needs requests, and, as such, the request and approval process and criteria should be the same in order to eliminate confusion and avoid duplication.

Requests for reimbursement of extraordinary costs associated with homicide cases should continue to be made using the form and under the process established by *Finance Memo 2005–007* on October 5, 2005 (see Attachment F). The criteria for requesting this reimbursement are specified in rule 10.811 of the California Rules of Court. The main criterion is that only courts of counties with population of 300,000 or less can apply for reimbursement. Since FY 2004–2005, a limited General Fund appropriation (\$253,000 in FY 2011–2012) has been available to reimburse eligible courts. Because this process is not related to supplemental funding per se and is similar to other processes available to courts for obtaining reimbursement of costs (e.g., jury or court interpreter), it is appropriate to maintain this as a separate form and process.

Recommendation 3: Cash Advance Request and Approval Process

3. Approve a revised process for requesting cash advances where requests are submitted to the AOC Finance Director for consideration, as described in the rationale.

Rationale for recommendation 3

Cash advance requests should be submitted to the AOC Finance Director for approval within five business days. The process for requesting cash advances should be distinct from that related to

requesting supplemental funding for urgent needs for two main reasons. One, whenever possible, cash advances will always be distributed from courts' TCTF allocation and not the Improvement Fund's urgent needs monies. Technically, a cash advance can only be provided from the TCTF since it is an advance on monies (or base allocations) due to the court. Any distribution from the Improvement Fund for cash advance purposes is essentially a loan that must be repaid back to the fund. Two, cash advances might need to be provided immediately to address imminent cash-flow issues and cannot always wait for timely approval by the council. If a court requesting a cash advance has received its entire allocation of TCTF monies prior to the end of the fiscal year, a cash-advance loan can be provided from the Improvement Fund if monies are available.

Recommendation 4: Supplemental Funding for Urgent Needs Request and Approval Process

4. Approve a revised process for requesting urgent needs funding where all requests are submitted to the council for consideration, as described in the rationale.

Rationale for recommendation 4

The following is a recommended process for requesting and approving urgent needs funding.

1. A request can be for either a loan or one-time funding that is not repaid, but not for ongoing funding. It's possible that some courts might prefer a loan, so they should be able to indicate this preference. Even if a court requests a one-time distribution, the council can still provide the funding as a loan. Conversely, if a court requests a loan, the council should still retain the discretion to provide a one-time distribution. Ongoing (structural) funding needs should not be addressed by urgent need monies and are more appropriately addressed through other processes (e.g., budget change proposal to the Department of Finance).
2. The suggested submission, review, and approval process is:
 - a. All requests will be submitted to the council for consideration;
 - b. Requests will be submitted to the Administrative Director of the Courts by either the court's presiding judge or court executive officer;
 - c. The Administrative Director will forward the request to the AOC director of finance and the court's AOC regional administrative director;
 - d. AOC Finance Division staff, including the court's regional budget analyst, will review the request, ask court to provide any missing or incomplete information, draft a preliminary report, share the preliminary report with the court for its comments, revise as necessary, and issue a final report for the council;
 - e. The final report will be provided to the requesting court prior to the report being made publicly available on the California Courts website; and
 - f. The court may send a representative to the council meeting to present its request and respond to questions from the council.

3. Requests to be considered at a particular council meeting must be submitted to the Administrative Director of the Courts at least 25 business days prior to that meeting. This will allow the necessary time for staff review, analysis, and drafting of a report to the Judicial Council, including a draft report for review by the Executive and Planning Committee. There are two implications of this recommendation. First, there would be no restrictions on when courts could submit a request (e.g., no earlier than for the annual October meeting), and, therefore, it could be possible that the urgent needs monies would already be fully distributed to courts that submitted requests earlier in the year. Second, there would no option to request an expedited review. If a trial court has an immediate need for supplemental funding due to cash flow issues, a cash advance can be provided until the urgent needs request is considered by the Judicial Council.

Recommendation 5: Criteria for Courts Applying for Supplemental Funding for Urgent Needs

5. Approve criteria that specify the circumstances under which trial courts can apply for urgent needs funding, as described in the rationale.

Rationale for recommendation 5

Consistent with definition of urgent needs in the internal guidelines of the Improvement Fund, courts should be able to apply for urgent needs funding only when a court is projecting a negative fund balance (“going in the red,” when forecasted expenditures exceed forecasted revenues and beginning reserves) in the current fiscal year. This criterion is consistent with that of the executive branch and the existing deficiency and emergency funding processes. While this recommendation implies that the general purpose of the urgent needs funding process would be to bring a court’s ending fund balance to zero and no higher, its adoption would not limit the amount of supplemental funding for urgent needs the council could provide to a court. The council would have the discretion to provide additional funding depending on a court’s particular financial situation. The criteria subgroup discussed whether or not the council should consider providing supplemental funding for urgent needs to bring a court’s ending fund balance above zero (e.g., to the minimum operating and emergency reserve level). Given that this recommendation limits the provision of supplemental funding for urgent needs to courts that face financial insolvency, if the council were to adopt this recommendation and provide funding to bring a court’s fund balance above zero, it would raise the issue of whether courts that are not facing financial insolvency issues should be able to apply for supplemental funding for urgent needs. To the extent that a zero fund balance causes a court to face cash-flow issues, the court can apply for cash advances.

The implication of this recommendation is that courts should not be able to apply for supplemental funding for urgent needs to address budget-year deficiency issues. This would be consistent with the executive branch’s deficiency process.

Recommendation 6: Criteria for Evaluating Requests for Supplemental Funding for Urgent Needs

6. Approve criteria that will be used by the council to evaluate requests for urgent needs funding, as described in the rationale.

Rationale for recommendation 6

When submitting a request for supplemental funding related to urgent needs, courts must provide the information listed below as part of the request. If a request does not contain all required information, the submission date should be revised to the date that the court provided all required information.

General information

- A description of what factors caused or are causing the need for funding; and
- If requesting a one-time distribution, an explanation of why a loan would not be appropriate.

Financial information

- Current status of court fund balance;
- Three-year history of year-end fund balances, revenues, and expenditures; and
- Current detailed budget projections for the current fiscal year (e.g., FY 2011–2012), budget year (e.g., FY 2012–2013), and budget year plus 1 (FY 2013–2014).

Revenue enhancement and cost control measures

- Measures the court has taken in the last three years regarding revenue enhancement and/or expenditure reduction, including layoffs, furloughs, reduced hours, and court closures; and
- Employee compensation practices in the past five years (e.g., cost-of-living adjustments).

Court operations and access to justice

- Description of the consequences to the court's operations if the court does not receive funding;
- Description of the consequences to the public and access to justice if the court does not receive funding;

- What measures the court will take to mitigate the consequences to court operations, the public, and access to justice if funding is not approved; and
- Judicial caseload backlog.

Recommendation 7: Terms and Conditions for Distributing Supplemental Funding for Urgent Needs

7. Consider appropriate terms and conditions that courts must accept in order to receive supplemental funding for urgent needs, as described in the rationale.

Rationale for recommendation 7

When considering a court's request for supplemental funding related to urgent needs, the council should consider appropriate terms and conditions that courts must accept in order to receive the funding. Examples of terms and conditions that the council can consider include the following:

- Requiring the repayment to the Improvement Fund of any or all funding provided, with or without interest;
- Requiring a remediation plan, including a financial analysis, that explains how a court intends to avoid future financial insolvency;
- Requiring a court to report back to the council on how it used the funding;
- Placing restrictions on how urgent needs funding can be used, including not allowing it to be used for employee compensation, including cost of living adjustments, cash bonuses, etc.; and
- Requiring a court to sign an agreement (e.g., an Inter-Branch Agreement) that identifies the terms and conditions for receiving funding.

Recommendation 8: Revisions to the Improvement Fund Internal Guidelines

8. Direct AOC staff to revise the internal guidelines for the Improvement Fund so that it is consistent with actions regarding urgent needs funding taken by the council at its October 28, 2011 meeting and to propose any other revisions for the council's consideration (see discussion in the rationale).

Rationale for recommendation 8

The council should direct AOC staff to revise the internal guidelines so that it is consistent with any actions taken by the council at its October 28, 2011 meeting and to propose any other revisions, such as updating obsolete references to California Rules of Court, for the council's consideration. Depending on the actions taken by the council at its October 28, 2011 meeting, the process and criteria related to urgent needs funding in the internal guidelines may need to be revised in order to make it consistent with the council's actions.

Recommendation 9: Carrying Forward Unspent Prior Year Urgent Needs Monies

9. Carry forward unspent FY 2011–2012 urgent needs monies in the Improvement Fund, if any, for use as urgent needs monies in FY 2012–2013 (see discussion in the rationale).

Rationale for recommendation 9

Unspent FY 2011–2012 urgent needs monies should be carried over to FY 2012–2013 and used to address the urgent needs of trial courts in FY 2012–2013. Given the level of reductions that will need to be allocated to trial courts if funding is not restored or additional reduction offsets do not materialize, it may be necessary to supplement the FY 2012–2013 urgent needs reserve with unspent FY 2011–2012 urgent needs monies. The current funding level for various trial court programs and projects funded from the Trial Court Improvement Fund assumes that urgent needs monies are not fully spent every year for urgent needs. Given current revenue trends, if urgent needs monies were fully allocated to courts or restricted for the next four years, the council would likely need to reduce the allocations for various programs and projects in FY 2014–2015 and possibly as early as FY 2013–2014.

Recommendation 10: Reexamining the Supplemental Funding Process for Statewide Administrative Initiative Costs

10. Direct AOC staff, in consultation with trial court representatives, to reexamine the supplemental funding process for statewide administrative initiative costs and report back to the council with recommendations (see discussion in the rationale).

Rationale for recommendation 10

The council should direct AOC staff, in consultation with trial court representatives, to reexamine the supplemental funding process for statewide administrative initiative costs and report back to the council with recommendations. In 2006, the council approved the creation of the Statewide Administrative Infrastructure Services Funding Committee, whose primary purpose is to advise the Administrative Director of the Courts on funding recommendations for those courts that submit requests for supplemental funding related to the implementation of administrative infrastructure initiatives, which include statewide technology projects such as the California Court Case Management System (CCMS), Interim Case Management System (or Sustain), the Phoenix Financial System, the Phoenix Human Resources System, and the California Courts Technology Center, Data Integration, and Telecommunications. In light of the uncertainties of statewide deployment for certain projects and the inactivity of the committee, the purposes and goals of this process should be reexamined.

Recommendation 11: Identifying Supplemental Funding Beyond Urgent Needs Monies

11. Direct AOC staff to identify other monies in the trial court special funds, beyond the urgent needs monies, that can be used to provide supplemental funding to courts and report back to the council at its February 2012 meeting (see discussion in the rationale).

Rationale for recommendation 11

The council should direct AOC staff to identify other monies in the trial court special funds beyond the urgent needs monies that can be used to provide supplemental funding to courts and report back to the council at its February 2012 meeting. Given the potential need to allocate up to \$281 million in additional ongoing reductions to trial courts, all available resources in the TCTF, Improvement Fund, and Judicial Administration Efficiency and Modernization Fund that can be used for supplemental funding should be identified.

Alternatives Considered and Policy Implications

- Apply restrictions on when courts can apply for funding (e.g., no sooner than the council's annual October meeting), as discussed above.
- Allow courts that are not facing financial insolvency issues in the current year to apply for supplemental funding for urgent needs, as discussed above.
- Allow courts to request funding for budget-year funding deficiencies, as discussed above.

Implementation Requirements, Costs, and Operational Impacts

Not applicable.

Attachments

1. Attachment A: *Application for Supplemental Funding* form
2. Attachment B: Trial Court Improvement Fund Internal Guidelines (revised January 2007)
3. Attachment C: Finance Memo 2002–003 (memo, form, and instructions)
4. Attachment D: Finance Memo 2003–005 (memo, form, and criteria)
5. Attachment E: List of Trial Court Representatives that Participated in the Reexamination of Supplemental Funding Processes and Criteria
6. Attachment F: Finance Memo 2005–007 (memo, form, and instructions)

APPLICATION FOR SUPPLEMENTAL FUNDING FORM

Please check the type of funding that is being requested:

- CASH ADVANCE** (Complete Section I only.)
- URGENT NEEDS** (Complete Sections I through IV.)
 - ONE-TIME DISTRIBUTION**
 - LOAN**



SECTION I: GENERAL INFORMATION

SUPERIOR COURT: Click to enter County		PERSON AUTHORIZING REQUEST (Presiding Judge or Court Executive Officer):	
		CONTACT PERSON AND CONTACT INFO:	
DATE OF SUBMISSION: Click here to enter a date.	DATE FUNDING IS NEEDED BY: Click here to enter a date.	REQUESTED AMOUNT: \$	

REASON FOR REQUEST

(Please briefly summarize the reason for this funding request, including the factors that contributed to the need for funding. If your court is applying for a cash advance, please submit a cash flow statement when submitting this application. Please use attachments if additional space is needed.)

Section II through Section IV of this form is required to be completed ONLY if your court is applying for supplemental funding for urgent needs. Please submit attachments to respond to Sections II through Section IV.

SECTION II: TRIAL COURT OPERATIONS AND ACCESS TO JUSTICE

- A. What would be the consequence to the public and access to justice if your court did not receive the requested funding?
- B. What would be the consequence to your court's operations if your court did not receive the requested funding?
- C. What measures will your court take to mitigate the consequences to access to justice and court operations if funding is not approved by the Judicial Council?
- D. Please describe your court's current caseload backlog.

APPLICATION FOR SUPPLEMENTAL FUNDING FORM (Continued)

SECTION III: REVENUE ENHANCEMENT AND COST CONTROL MEASURES

- A. What has your court done in the past three fiscal years in terms of revenue enhancement and/or expenditure reductions, including layoffs, furloughs, reduced hours, and court closures?
- B. Please describe the employee compensation changes in the past five fiscal years for the trial court (e.g. cost of living adjustments and benefit employee contributions).

SECTION IV: FINANCIAL INFORMATION

Please provide the following:

- A. Current detailed budget projections/estimates for the current fiscal year, budget year and budget year plus one (e.g., if current fiscal year is FY 2011-2012, then budget year would be FY 2012-2013 and budget year plus one would be FY 2013-2014).
- B. Current status of your court's fund balance.
- C. Three-year history of your court's year-end fund balances, revenues, and expenditures.
- D. If the trial courts' application is for one-time supplemental funding, please explain why a loan would not be appropriate.

Trial Court Improvement Fund Internal Guidelines

1.0 Overview

The Trial Court Funding Act of 1997 (Chapter 850, Statutes of 1997) revised provisions governing the Trial Court Improvement Fund (Improvement Fund). Government Code section 68502.5 was amended to provide for the allocation of funds in the Improvement Fund to ensure open and equal public access to the trial courts, to improve trial court operations, and to address trial court emergencies. In addition, Government Code section 77209 was added to provide for an annual appropriation to the Improvement Fund consisting of one percent of the annual appropriation for the trial courts. The section states that the Improvement Fund shall be used as specified and expenditures may be made to vendors or individual trial courts that have the responsibility to implement approved projects. Any funds unencumbered at the end of that fiscal year are reappropriated to the Improvement Fund for the following fiscal year.

Government Code section 77209(g) allows the Judicial Council (Council), with appropriate guidelines, to delegate the administration of the Improvement Fund to the Administrative Director of the Courts (Administrative Director).

2.0 Purpose

In order to meet the critical needs of the courts and enable staff to commit funding on a timely basis, this policy establishes the guidelines by which the Council's Executive and Planning Committee (Executive Committee) is authorized to act on behalf of the Council with regard to the administration of the Improvement Fund, and the administration of the Improvement Fund is delegated by the Council to the Administrative Director, pursuant to Government Code section 77209(g) and the California Rules of Court (rule 10.11(d), effective January 1, 2007).

3.0 Guidelines and Procedures

In accordance with rule 10.11(d), the Executive Committee is hereby authorized to act on behalf of the Council regarding administration of the Improvement Fund, and the Council hereby delegates the administration of the Improvement Fund to the Administrative Director or his/her designee in accordance with the following guidelines:

3.1 General Allocation of the Improvement Fund

The Improvement Fund contains funding from the following sources: Funds required to be allocated to the Improvement Fund from the Trial Court Trust Fund by Government Code section 77209(b) (One Percent Transfer); funds representing the state's fifty percent

share of the increase in fee, fine, and forfeiture revenue required to be deposited in the Improvement Fund by Government Code section 77205; funds representing interest earned on money in the Surplus Money Investment Fund from the Improvement Fund; funds retained in the Improvement Fund from previous years; and funds representing two percent of the fines, penalties, and forfeitures in criminal cases that is required to be deposited in the Improvement Fund by Government Code section 68090.8 (Two Percent Automation Fund). Except as noted below, the funds in the Improvement Fund may be used as provided in these guidelines.

- A. The One Percent Transfer required to be allocated to the Improvement Fund from the Trial Court Trust Fund by Government Code section 77209(b) must be allocated from the Improvement Fund as provided by in that section.
- B. In accordance with the above code section, one-half of the One Percent Transfer is to remain unallocated prior to March 15 of each year unless allocated to a court or courts for urgent needs is subject to the following:
 - 1. A court seeking funding for urgent needs must submit a request in writing to the Administrative Director through the Director of the Administrative Office of the Courts (AOC) Finance Division as soon as the urgent need is determined.
 - 2. An urgent need is defined as an unanticipated critical financial obligation beyond the local court's prudent management of its resources that cannot be reasonably eliminated, deferred or funded from within the local court's budget and that requires a one-time allocation of funds within the fiscal year in which the urgent need arises; and
 - 3. Approval of requests for urgent needs must be made in conformance with these guidelines and *Finance Memo TC 2003-005 Emergency Funding Requests - TCIF* adopted by the AOC.
- C. In accordance with the above code section, up to one-quarter of the One Percent Transfer may be allocated for trial courts that meet any additional criteria established by the Council.
- D. In accordance with the above code section, up to one-quarter of the One Percent Transfer may be allocated for statewide projects or programs for the benefit of the trial courts.
- E. The Two Percent Automation Fund must only be used for automated record keeping purposes as provided by Government Code section 68090.8.
- F. Pursuant to Government Code section 77209(k), a required amount of \$31,563,000 shall be transferred from the Trial Court Improvement Fund to the

Trial Court Trust Fund for allocation to trial courts for court operations and administrative infrastructure needs on behalf of the trial court.

3.2 Approved Budget Categories and Projects; Guidelines for Changes

- A. The Administrative Director must seek input from the Council, at its annual planning meeting, on future direction and program priorities, and consider that input in preparing the proposed budget required by this section.
- B. As soon as practical after passage of the annual state budget act each fiscal year, the Administrative Director or his/her designee must present to the Executive Committee for review and approval a proposed budget of potential programs and projects to be paid for from the Improvement Fund. Consistent with statutory requirements, the proposed budget must be divided into three categories:
 1. Ongoing statewide programs (e.g., Litigation Management Program, Trial Court Transactional Assistance Program, the CJP insurance program, and technology programs);
 2. Trial court projects and model programs, such as the mentor unified family courts, ADR, and the complex litigation pilot programs; and
 3. The emergency funding reserve referred to in section 3.1.B above.
- C. After approving the proposed budget as presented or as modified by the Executive Committee, the Executive Committee may thereafter amend the budget, including, but not limited to, approving new projects and programs that create an ongoing obligation on the Improvement Fund.
- D. After the Executive Committee's approval of the proposed budget, the Administrative Director or his/her designee may:
 1. Approve new projects and programs during the fiscal year within the approved funding level of each of the three budget categories set forth in section 3.2.B;
 2. Approve changes to, defer, or eliminate programs or projects in the approved budget, including, but not limited to, changing the amount allocated to the program or project, if the changes, deferrals, or eliminations do not result in a transfer of money from any budget category to another in excess of that permitted by section 3.2.D.5 below provided that any change, deferral, or elimination of an item in category 3.2.B.1 may be made only upon approval by the Council;
 3. Approve one-time emergency funding requests from the reserve;
 4. Transfer up to 20 percent of the budget from categories one and two in section 3.2.B to any other category; and

5. Transfer any funding that is unexpended as of May 1 to any program or project that may be funded by the Improvement Fund except for unexpended money in emergency funding reserve. Money in the emergency-funding category that is unexpended as of March 31 may be transferred pursuant to this paragraph.
- E. The Administrative Director or his/her designee may approve new projects and programs or take the other actions provided for in section 3.2.D above only if:
1. The new project will benefit one or more courts by implementation, testing, promotion or replication of a program that is intended to improve the administration of the justice;
 2. The new project or other action will be implemented in the most efficient and cost-effective manner;
 3. The new project or other action is consistent with and is intended to further the Council's strategic plan, budget priorities, or operational plan; and
 4. The new project or other action is not prohibited by statute or California Rules of Court.

3.3 Reporting on Prior Year Allocations

As soon as practical after the end of each calendar year, the Administrative Director or his/her designee must prepare, and submit to the Executive Committee for review and approval, an annual report to the Council and the Legislature on prior fiscal year project expenditures paid for from the Improvement Fund. This report must include, by category, the amount allocated, a description of major projects, and the progress towards meeting the outcomes of the approved projects and programs.

3.4 Audits

The Administrative Director may request performance or financial audits of programs or projects paid for from the Improvement Fund.

3.5 Delegation Timeframe and Limitation

The delegation of authority in these guidelines to the Administrative Director will remain in effect unless revoked. The Council may revoke the delegation at any time. The categories in section 3.2.B may only be changed by the Council.



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Chief Justice of California
Chair of the Judicial Council

WILLIAM C. VICKREY
Administrative Director of the Courts

RONALD G. OVERHOLT
Chief Deputy Director

CHRISTINE HANSEN
Director
Finance Division

TO: Presiding Judges of the Superior Courts
 Executive Officers of the Superior Courts
 Fiscal Contacts of the Superior Courts

FROM: Tina Hansen, Director
 Finance Division

DATE: May 8, 2002

SUBJECT/PURPOSE OF MEMO: Finance Memo TC 2002-003
 Request for Cash Advance, One-Time Deficiency Funding, or
 Homicide Case Extraordinary Cost Reimbursement

ACTION REQUESTED: Please review the attached memorandum and provide a copy to the appropriate budget staff.

CONTACT FOR FURTHER INFORMATION: **NAME:** Vicki Muzny **TEL:** 415-865-7553 **FAX:** 415-865-4331 **EMAIL:** vicki.muzny@jud.ca.gov

Each year, several courts contact the Administrative Office of the Courts (AOC) to discuss funding difficulties affecting their particular court and to evaluate possible solutions to their specific budget issues. The purpose of this memorandum is to provide direction to the trial courts on the procedure for requesting one-time deficiency funding from the AOC. Please keep in mind that the ability of the AOC to provide funding of a request will depend on the availability of appropriate one-time funding and, when required, approval by the Judicial Council.

This process applies to the following types of funding needs:

1. Cash advance needed because of the timing of reimbursements receipts;
2. One-time deficiency request due to unanticipated expenditures; or
3. Homicide case extraordinary cost reimbursement.

Cash Advance

If you are experiencing a cash flow shortfall, Finance Division staff will work with you to attempt to alleviate the problem. This may include providing an advance against the 13th month's allocation to the court. The court should request a cash advance prior to incurring the costs of utilizing a loan or line of credit (requires pre-approval in writing by the Judicial Council) with your county or another agency. (A Finance Memo will be released shortly that describes the policy and procedures for obtaining a loan or line of credit.)

Deficiency Request

Deficiency funding may only be requested for current year expenditures and only for *actual*, not estimated, expenditures.

Homicide Case Extraordinary Cost Reimbursement

A request for homicide case reimbursement is to be accompanied by an estimate of the extraordinary costs for that case. If approved, the funding will be provided based on actual expenditures.

Only one-time funding can be provided to courts through this process. If a court is experiencing an ongoing funding problem, it may request one-time deficiency funding through this process, but will have to address the ongoing need through a different procedure. If the program area is a Judicial Council approved budget priority, the court may opt to request ongoing funding during the next budget cycle. Please note, in accordance with the Trial Court Financial Policies and Procedures Manual (section 6.5 of Procedure No. FIN 4.02) a court must submit a request (in writing) for approval from the Finance Division of the AOC before redirecting more than \$400,000 or 10% (whichever is less) of its total budget from one or more program item(s) to another. The AOC will review the request and respond within 30 days of receipt.

Regardless of the type of request, if it is an anticipated need that will not occur until after the beginning of the next fiscal year, the request cannot be made until after July 1. The court should take whatever measures are possible in advance of the need to try to ameliorate the situation.

To request funding through this process, a court must complete the attached form “Request for Cash Advance, Deficiency Funding, or Homicide Case Extraordinary Cost Reimbursement” and provide the following information:

- The specific purpose of funding requested, i.e., program area (if applicable), type of cost within that program, etc.
- The status of the court’s reserves and the reason(s) why the reserve cannot be used to satisfy the shortfall. Courts must provide a cash flow analysis.
- The reason(s) why the court cannot absorb the costs in the current year.
- State all efforts taken by the court within its own funding to address the issue, i.e., deferring purchase of new equipment, not filling staff vacancies, etc.
- In addition to the above criteria, if the request is for reimbursement of extraordinary costs due to a homicide case, the court must also provide a description of the case and an estimate of the extraordinary costs (e.g., security, court reporter). If funding is approved, allocation will be based on actual expenditures, which must be supported by detailed invoices. Only current fiscal year or future fiscal year costs may be requested. Past years’ costs will not be considered.

The “Request for Cash Advance, Deficiency Funding, or Homicide Case Extraordinary Cost Reimbursement” form and additional supporting documentation should be sent to the court’s regional budget analyst as indicated below, as soon as possible after the need has been identified, so that the analyst can work with the court to expedite the request.

Region	Name of Analyst	Contact Information
Northern/Central	Lesley Allen	415-865-4363 lesley.allen@jud.ca.gov
Bay Area/Northern Coastal	Mark Garcia	415-865-4367 mark.garcia@jud.ca.gov
Southern	Vicki Muzny	415-865-7553 vicki.muzny@jud.ca.gov

Review and Consideration of Requests

The regional analyst will review the request and may contact the court for additional information if necessary. The analyst will provide a recommendation on the request to the Regional Director and the Finance Director within 15 days of receipt of the request. The Finance Director can approve cash advances within 30 days. If your need is more immediate and you require funding for a cash advance in less than 30 days, request a waiver, indicate the date the advance is needed, and provide an explanation on the request form.

Except at the end of the year, when the Administrative Director of the Courts has authority to allocate one-time year-end funds, requests for deficiency and homicide case extraordinary cost reimbursement funding must be presented to the Judicial Council for consideration. The request will be presented to the council at its next scheduled meeting, after receipt of the request, providing that no additional clarification is required.

A court may e-mail the form and supporting documentation to their budget analyst, but a *signed* form is required for requests to be fully considered.

If you have any questions on this matter, please don't hesitate to contact your regional budget analyst.

Administrative Office of the Courts
455 Golden Gate Avenue
San Francisco, CA 94102-3660

REQUEST FOR CASH ADVANCE OR DEFICIENCY FUNDING (Check only one):

- Cash Advance
 One-Time Deficiency
 Homicide Case Extraordinary Cost Reimbursement

I. ALLOCATION TO BE ADJUSTED

SUPERIOR COURT:	AMOUNT REQUESTED:
PROGRAM AREA (if applicable):	FISCAL YEAR FOR WHICH FUNDING IS NEEDED:

II. SUMMARY OF REQUEST/CERTIFICATE OF NECESSITY (BRIEF JUSTIFICATION PRESENTING ALL SUPPORTING FACTS INCLUDING THE UNANTICIPATED NATURE OR CIRCUMSTANCES OF REQUEST FOR EXISTING PROGRAMS (Use attachments if additional space is needed))**III. NOTIFICATION TO AOC (use attachments if additional space is needed)**

- Request waiver of 30 days (cash advance only) Explain

IV. TCTF/Non-TCTF Reserves Status (Use attachments if additional space is needed)

- NO YES If yes, how much? _____. Why cannot your court's reserves be used?

V. HAS AOC PREVIOUSLY DENIED THIS REQUEST? (Use attachments if additional space is needed)

- NO YES If yes, when and why? Please attach previous request.

VI. MONTH AND YEAR WHEN THE UNAVOIDABLE NATURE OF THIS REQUEST WAS FIRST IDENTIFIED

Month: _____ Year: _____

VII. REQUESTING SUPERIOR COURT

Requested by: _____ Title: _____ Date: _____

VIII TRIAL COURT BUDGET SUPPORT ANALYST

Recommend for Approval: YES NO Approved By: _____ Date: _____

IX. REGIONAL DIRECTOR

Recommend for Approval: YES NO Approved By: _____ Date: _____

X. DIRECTOR, FINANCE DIVISION

APPROVED DENIED

Approved by: _____ Date: _____

FOR AOC USE ONLY

Trial Court Trust Fund Trial Court Improvement Fund

Amount Approved: _____ Date Disbursed: _____ Notification Sent: _____

**Instructions for Completing the
Request for Cash Advance, Deficiency Funding, or Homicide Case Extraordinary Cost Reimbursement Form**

Type of Request

Check type of request. Check only one box.

- *Cash Advance* – Advance funds needed to cover a cash flow shortfall.
- *One-Time Deficiency* – Funds needed to cover a one-time budget shortfall.
- *Homicide Case Extraordinary Cost Reimbursement*. Funds needed to cover extraordinary costs due to a homicide case.

I. Allocation to be Adjusted

- Superior Court: Name of your court
- Amount: Amount of funding requested
- Program Area: Identify program area, if applicable, i.e., security, technology
- Fiscal Year for Which Funding is Requested: Indicate for which fiscal year you are requesting the funding. Requests for funding are limited to the current fiscal year, except for extraordinary expenses on homicide cases.

II. Summary of Request/Certificate of Necessity

Provide a brief justification and all supporting facts. Justifications should discuss the items below and be accompanied by supporting documents.

- The specific purpose of funding requested.
- The status of the court's reserves and the reason(s) why the reserve cannot be used to satisfy the shortfall. Courts must provide a cash flow analysis.
- The reason(s) why the court cannot absorb the costs in the current year.
- State all efforts taken by the court within its own funding to address the issue, i.e., deferring purchase of new equipment, not filling staff vacancies, etc.
- In addition to the above, if the request is for reimbursement of extraordinary costs due to a homicide case, the court must provide a description of the case and an estimate of the extraordinary costs (e.g., security, court reporter). If funding is approved, allocation will be based on actual expenditures, which must be supported by detailed invoices. Only current fiscal year or future fiscal year costs may be requested. Past years' costs will not be considered.

III. Notification to AOC

AOC approval of funding for cash advances will be processed within 30 days. If your need is more immediate and you require funding for a cash advance in less than 30 days, request a waiver, indicate the date the advance is needed, and provide an explanation. Deficiency requests and homicide case extraordinary cost reimbursements must be approved by the Judicial Council, except for allocation of available year-end funding. Provided that no additional clarification is needed, these requests will be presented to the council at its next regular business meeting after receipt of the request.

IV. TCTF/Non-TCTF Reserves Status

Does your court have any cash reserves? If yes, identify the amount and explain why it cannot be used to fund the deficiency.

V. Has AOC Previously Denied?

Has this request been made previously through the BCR process, a deficiency or any other funding request to the AOC? If yes, attach a copy of the request. What was the result of the denial for the court?

VI. Month and Year the Unavoidable Nature of This Request was First Identified

The month and year your court determined that a cash shortfall or deficiency would occur.

VII. Requesting Superior Court

Only the Presiding Judge or Court Executive Officer can request funding for a cash advance, deficiency, or homicide case extraordinary cost reimbursement. A signature is required.

VIII. Trial Court Budget Support Analyst

The request will be reviewed and a recommendation made by the budget support analyst assigned to your court's region.

IX. Regional Director

The request will be reviewed and a recommendation made by your court's Regional Director.

- X. Director, Finance Division
The Director of the Finance Division must approve all requests.



Judicial Council of California
ADMINISTRATIVE OFFICE OF THE COURTS

455 Golden Gate Avenue • San Francisco, California 94102-3688
Telephone 415-865-4200 • Fax 415-865-4205 • TDD 415-865-4272

M E M O R A N D U M

<p>Date November 10, 2003</p> <p>To Presiding Judges of the Superior Courts Executive Officers of the Superior Courts Fiscal Contacts of the Superior Courts</p> <p>From Tina Hansen, Director Finance Division Administrative Office of the Courts</p> <p>Subject Emergency Funding Requests - TCIF Finance Memo TC 2003-005</p>	<p>Action Requested Review and disseminate to staff as appropriate; replicate and place in all <i>Trial Court Financial Policies and Procedures Manuals</i></p> <p>Deadline N/A</p> <p>Contact Denise Friday Trial Court Regional Budget Support Unit 415-865-7536 phone 415-865-4325 fax denise.friday@jud.ca.gov</p>
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Finance Memo TC 2002-003, *Request for Cash Advance, One-Time Deficiency Funding, or Homicide Case Extraordinary Cost Reimbursement*, dated May 8, 2002 provided notification of the process for trial courts to request one-time deficiency funding from the Administrative Office of the Courts (AOC) to address urgent needs as a result of the timing of reimbursement receipts, unanticipated expenditures, or homicide case extraordinary cost reimbursement. Please continue to request deficiency funding for these purposes through the process as stated in Finance Memo TC 2002-003. Emergency funding requests due to the impact of unallocated budget reductions will be addressed in this memorandum.

During meetings with the trial courts and at meetings of the Judicial Branch Budget Advisory Committee, there was considerable discussion as to how the unallocated budget reductions should be applied to trial courts given the varying capacity within the courts to absorb the reduction. It was ultimately recommended that the unallocated reductions should continue to be applied at the same percentage for all courts, but that an emergency fund should be established to address undue hardships (i.e., court closures or layoffs) faced by those courts that have taken all reasonable steps to prepare and manage unallocated budget reductions.

Finance Memo TC 2003-005
Emergency Funding Requests - TCIF
November 10, 2003
Page 2

At their February 2003 meeting, the Judicial Council approved the following staff recommendations:

1. *“Approve setting aside, uncommitted funds on a one-time basis in both FY 2002–2003 and FY 2003–2004 from the one-half of the one percent reserve in the Trial Court Improvement Fund to make additional funding available for courts that took all reasonable steps to prepare and manage the anticipated budget reductions yet still face undue hardships as a result of the unallocated reductions and to meet cash flow issues. Uncommitted funds from FY 2002–2003 would be carried over to FY 2003–2004 and remain available for these purposes.”*
2. *“Direct staff to establish strict guidelines, including an approval and appeals process, for utilization of these funds.”*

The purpose of this memorandum is to provide direction to the trial courts on the criteria and procedure for requesting a portion of these funds from the AOC.

Emergency Funding Criteria

Total emergency funding from the Trial Court Improvement Fund (TCIF) is limited to resource availability. Only one-time funding can be provided to courts through this process. Courts must have exhausted all available reserves not otherwise dedicated to critical needs. Courts must indicate the steps taken to address the unallocated reduction that is causing the hardship, why resources aren't available, what will occur if funding is not approved, public service impacts, and other relevant information. In addition, to be eligible for funding, requests must specifically address the avoidance of one of the following:

- Lay-offs
- Mandatory furloughs
- Reduced hours (less than the minimum standard operating requirements established by the Judicial Council)
- Court closures

Note: Courts that have been granted an exemption for reduced hours or court closures are not eligible for funding to address that specific issue.

Request for Emergency Funding

To request emergency funding courts must complete the attached *Request for TCIF Emergency Funding* form and submit it to the AOC Finance Division Director. Fully completed forms will reduce the number of follow-up questions and shorten the review process. To expedite the request, courts may e-mail or fax the form and any supporting documentation to the AOC. A signed original request, however, must also be received by the AOC prior to the issuance of any funds.

Finance Memo TC 2003-005
Emergency Funding Requests - TCIF
November 10, 2003
Page 3

Note: The *Request for TCIF Emergency Funding* form is in *Word* format, so the text areas will expand automatically to accommodate the amount of narrative provided.

Approval and Appeals Process

The attached list of *Criteria for Emergency Funding Requests* will be used by AOC Budget Analysts to evaluate the requests. Within 10 working days of receiving the request, the AOC Finance Division will notify the court in writing of its decision. If a request is denied, the court may submit an appeal to the AOC Finance Division Director. The AOC Finance Division Director, Chief Deputy Director, and appropriate Regional Director will consider the appeal jointly and notify the court of its final decision within 10 working days.

If you have any questions on this matter, please do not hesitate to contact your regional budget analyst.

CMH/DG/ob
Attachments

- 1) Request for TCIF Emergency Funding Form
- 2) Criteria for Emergency Funding Requests

cc: AOC Executive Management Team
AOC Finance Division Management Team
Regional Budget Analysts

REQUEST FOR TCIF EMERGENCY FUNDING Funding will address the avoidance of (check all that apply): <input type="checkbox"/> Lay-offs <input type="checkbox"/> Mandatory furloughs <input type="checkbox"/> Reduced hours (less than minimum standard operating requirements) <input type="checkbox"/> Court closures	Administrative Office of the Courts 455 Golden Gate Ave Finance Division San Francisco, CA 94102-3660
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ALLOCATION TO BE ADJUSTED	
SUPERIOR COURT:	AMOUNT REQUESTED:

SUMMARY OF REQUEST (Attach backup data)

Please fully explain how the requested funding will be used in avoidance of at least one of the above issues.

III. ACTIONS TAKEN AND IMPACTS

A. What steps have been or are being taken to address the unallocated reduction issue that is causing the hardship? (Include an explanation of whether the steps are consistent with the court's budget reduction plan, as submitted.)

B. What additional steps or actions will be taken if this funding request is not approved?

C. What specific program and public service impacts will occur if this funding request is not approved?

IV. STATUS OF COURT'S TCTF/Non-TCTF Reserves

A. Explain the status of the court's reserves, including the available amounts, and how they will be used.

B. Explain the timeline for when the court will need the funds and whether the allocation can be received over time or must be received lump-sum by critical dates. Explain the nature of all critical dates.

V. REQUEST HISTORY

A. Has a request on this issue been previously submitted to the AOC for consideration? YES NO

B. If yes, explain the history of the request, including the date submitted, the division which reviewed it, and the outcome. If the request was denied, explain why.

VI. MONTH AND YEAR WHEN THE HARDSHIP WAS FIRST IDENTIFIED

Month: _____ Year: _____

VII. REQUESTING SUPERIOR COURT'S AUTHORIZED REQUESTER

Requested by: _____ Title: _____ Date: _____

VIII. TRIAL COURT BUDGET SUPPORT ANALYST

Recommend for Approval: YES NO Approved By: _____ Date: _____

IX. REGIONAL DIRECTOR

Recommend for Approval: YES NO Approved By: _____ Date: _____

X. DIRECTOR, FINANCE DIVISION

APPROVED DENIED

Approved by: _____ Date: _____

**Criteria for Emergency Funding Requests
Trial Court Improvement Fund**

***AOC Budget Analyst criteria reference for court requests to be used in tandem with
the Request for Emergency Funding form***

1. Requests must specifically address the avoidance of one of the following:
 - a) Lay-offs
 - b) Mandatory furloughs
 - c) Reduced hours (less than the minimum standard operating requirements established by the Judicial Council)
 - d) Court closures
2. Court must fully explain how the requested funding will be used in avoidance of at least one of the above issues.
3. Court must have exhausted *available* reserves not otherwise restricted or dedicated to a mandatory need. Dedicated reserves should be itemized and reflect timelines for estimated dates of usage.
4. The court must itemize and fully explain all funding redirections that have been taken to address the problem.
5. The court must explain why other reasonable program cost shifts or reductions in expenditures cannot be made.
6. The court must explain actions that will occur if funding is not approved.
7. The court must indicate specific program and public service impacts.
8. The court must identify if and how this problem was cited in the recent budget reduction drills. If it was identified as an item for reduction, then the court must fully explain why funding is now being requested.

Attachment E
Supplemental Funding Working Group Members

Jake Chatters*
Court Executive Officer
Superior Court of California, County of
Placer

Hon. Kevin A. Enright*
Presiding Judge
Superior Court of California, County of San
Diego

Hon. Katherine A. Feinstein*
Presiding Judge
Superior Court of California, County of San
Francisco

Melissa Fowler-Bradley*
Court Executive Officer
Superior Court of California, County of
Shasta

Hon. Janet Gaard*
Assistant Presiding Judge
Superior Court of California, County of
Yolo

Hon. Richard J. Loftus, Jr.**
Presiding Judge
Superior Court of California, County of
Santa Clara

Hon. Gary Nadler**
Presiding Judge
Superior Court of California, County of
Sonoma

Stephen H. Nash**
Court Executive Officer,
Superior Court of California, County of San
Bernardino

Michael M. Roddy**
Court Executive Officer
Superior Court of California, County of San
Diego

Hon. David Rosenberg*
Presiding Judge
Superior Court of California, County of
Yolo

Gil Solorio**
Court Executive Officer
Superior Court of California, County of San
Benito

David H. Yamasaki**
Court Executive Officer
Superior Court of California,
County of Santa Clara

*Process subgroup
**Criteria subgroup



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MEMORANDUM

<p>Date October 5, 2005</p> <p>To Presiding Judges of the Superior Courts Executive Officers of the Superior Courts Fiscal Contacts of the Superior Courts</p> <p>From Christine M. Hansen, Director Finance Division</p> <p>Subject Finance Memo TC 2005-007 Reimbursement of Extraordinary Costs of Homicide Trials</p>	<p>Action Requested Review and disseminate to staff as appropriate.</p> <p>Deadline N/A</p> <p>Contact Jennifer Turnure Trial Court Regional Budget Support Unit 415-865-8798 phone 415-865-4331 fax jennifer.turnure@jud.ca.gov</p>
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Beginning in fiscal year 2004-2005, funding has been appropriated to be available to the judicial branch for reimbursement of trial courts for extraordinary costs of homicide trials as specified in Government Code section 15202. As required by the Budget Act of 2004, the Judicial Council adopted a rule of court (California Rules of Court, rule 6.711) establishing a process by which courts may seek reimbursement for these costs. The council also approved guidelines for this reimbursement process. Before presentation to the council, the guidelines were sent to all 58 trial courts for comment and amended based on the comments received. The Trial Court Budget Working Group also reviewed the proposed guidelines, as amended, in conjunction with the trial courts' comments. The working group unanimously approved the proposed guidelines for submission to the council.

The purpose of this memorandum is to provide trial courts with the guidelines and procedures for requesting reimbursement of extraordinary costs associated with homicide trials.

Finance Memo TC 2005-007
Reimbursement of Extraordinary Costs of Homicide Trials
October 5, 2005
Page 2

Guidelines for Reimbursement of Extraordinary Costs Associated with Homicide Trials

Courts may apply to the Administrative Office of the Courts (AOC) for reimbursement of extraordinary costs associated with homicide trials in accordance with the following guidelines. This funding is intended to address the impact of individual homicide trials that, because of special circumstances, result in costs that exceed the limited funding available in small courts for such purposes. Larger courts that experience a budget shortfall or deficiency because of extraordinary homicide trial costs can apply for deficiency funding through the Trial Court Improvement Fund set aside for deficiencies and emergencies, as specified in Finance Memo TC 2002-003: Request for Cash Advance or Deficiency Funding.

Reimbursement Guidelines

The court must be in a county with a population of 300,000 or less, according to the most recent decennial census.

1. Only the extraordinary costs of homicide trials will be reimbursed, such as temporary help, overtime, and one-time expenditures necessitated by the unique requirements of high-profile and complex homicide trials, including the costs of court-appointed expert witnesses, court reporter fees, transcript preparation charges, court interpreter costs (if not fully funded), and extraordinary court security costs. No reimbursement will be provided for normal, ongoing employee compensation and operating expenses that the court would have incurred if the trial had not occurred.
2. Reimbursement funding will be based upon a demonstration of actual court need and will not be provided to courts that have resources sufficient to absorb one-time costs without an impact on court operations. The assessment of a court's need will be similar to the process used in the analysis of deficiency requests, including consideration of the level of undesignated reserves and the court's ability to meet mandatory expenses, such as payroll and contractual obligations.
3. For change of venue cases, reimbursement of extraordinary homicide trial costs will be made to the court ultimately responsible for paying the costs associated with the case (usually the originating court). Reimbursement will be consistent with the preceding guidelines.
4. Because the reimbursement process applies to costs that have already been incurred, to the extent that courts require advance cash payments for cash flow purposes to address the extraordinary costs of homicide trials, those will be handled through the existing request for cash advance or process specified in Finance Memo TC 2002-003.

Finance Memo TC 2005-007
 Reimbursement of Extraordinary Costs of Homicide Trials
 October 5, 2005
 Page 3

5. Claims for reimbursement of extraordinary homicide trial costs should be submitted as soon as possible in the current fiscal year, but must be submitted no later than six months following the last day of the trial. For ongoing cases, separate requests must be submitted by August 30 of each fiscal year, where possible.

To the extent that costs exceed available funding, one-time funding may be provided if savings is available in the appropriation for extraordinary costs of homicide trials, service of process for protective orders or costs of prisoner hearings. One-time funding may also be provided if savings are identified in other statewide allocations in the Trial Court Trust Fund.

Request for Reimbursement of Extraordinary Costs of Homicide Trials

To request reimbursement of extraordinary costs of homicide trials, courts must complete the attached *Request for Reimbursement of Homicide Trial Costs* form, and provide the following information:

- The status of the court's reserves (Trial Court Trust Fund (TCTF) and Non-TCTF) and the reason(s) why the reserve cannot be used to satisfy the shortfall.
- The reason(s) why the court believes that this case qualifies for reimbursement of extraordinary homicide trial costs (refer to the aforementioned Extraordinary Homicide Trial Costs Reimbursement Guidelines).
- A description of the case and an estimate of the extraordinary costs (e.g., security, court reporter). If funding is approved, allocation will be based on actual expenditures, which must be supported by detailed invoices. Only current fiscal year or future fiscal year costs may be requested. Past years' costs will not be considered.

The *Request for Reimbursement of Homicide Trial Costs* form and additional supporting documentation should be sent to the court's regional budget analyst as indicated below, as soon as possible after the need has been identified, so that the analyst can work with the court to expedite the request.

Region	Analyst	Contact Information
Bay Area/Northern Coastal	Jennifer Turnure, Budget Analyst	415-865-8798 jennifer.turnure@jud.ca.gov
Northern/Central	Patrick Ballard, Sr. Budget Analyst	916-263-1653 patrick.ballard@jud.ca.gov
Southern	Katrina Coreces, Sr. Budget Analyst	818-558-3115 katrina.coreces@jud.ca.gov

Finance Memo TC 2005-007
Reimbursement of Extraordinary Costs of Homicide Trials
October 5, 2005
Page 4

Review and Consideration of Requests

The AOC will review the request and respond within 30 days of receipt. A regional analyst will review the request and may contact the court for additional information if necessary. The analyst will provide a recommendation on the request to the Regional Director and the Finance Director.

A court may e-mail the form and supporting documentation to their budget analyst, but a *signed* form is required for requests to be fully considered.

If you have any questions on this matter, please contact your regional budget analyst. This memo will be posted on Serranus for future reference.

CMH/IDF/ob
Attachments

- 1) *Extraordinary Homicide Trial Courts Reimbursement Form Instructions*
- 2) *Request for Reimbursement of Extraordinary Homicide Trial Costs Form*

cc: Regional Administrative Directors
Regional Budget Analysts
Steven Chang, Senior Budget Analyst

**REQUEST FOR REIMBURSEMENT
OF EXTRAORDINARY HOMICIDE TRIAL COSTS**

**Administrative Office of the Courts
455 Golden Gate Avenue
San Francisco, CA 94102-3660**

DATE _____

AMOUNT REQUESTED

I. COURT INFORMATION	
COURT NAME	CONTACT PERSON FOR CLAIM
CONTACT PERSON TITLE	
TELEPHONE NUMBER	E-MAIL
II. CLAIM INFORMATION	
NAME OF CASE	
FISCAL YEAR FOR WHICH FUNDING IS REQUESTED	START DATE OF CASE
ANTICIPATED COMPLETION DATE	DATE OF LAST HEARING
PRETRIAL AND POST TRIAL COSTS - If the court incurred extraordinary costs prior to the commencement and/or after the completion of the trial, please explain (1) what the costs were; (2) when they were incurred; (3) why they were extraordinary; and (4) who authorized the expenditures.	
III. TCTF/NON-TCTF RESERVES STATUS	
TOTAL TCTF DESIGNATED RESERVES	TOTAL TCTF UNDESIGNATED RESERVES
TOTAL NON-TCTF DESIGNATED RESERVES	TOTAL NON-TCTF UNDESIGNATED RESERVES
AMOUNT OF RESERVES TO BE USED TO FUND EXTRAORDINARY COSTS	
If the court's reserves cannot be used to absorb any portion of the extraordinary costs, please explain. (Use attachments if additional space is necessary.)	
HAS THE AOC PREVIOUSLY REVIEWED A REQUEST ASSOCIATED WITH THIS CASE? If yes, indicate the results of the review. (Use attachments if additional space is needed.)	

REQUEST FOR REIMBURSEMENT OF EXTRAORDINARY HOMICIDE TRIAL COSTS

PAGE 2

IV. SUMMARY OF REQUEST

Provide a brief justification presenting all supporting facts, including a description of the case, and an estimate of the extraordinary costs (e.g., security, court reporter). Use attachments if additional space is needed. *Note: If funding is approved, allocation will be based on actual expenditures.*

V. COMPUTATION OF AMOUNT REQUESTED FOR REIMBURSEMENT

Use the space below (or attach separate schedules) to detail the extraordinary costs included in this claim. Costs included in the claim must be consistent with the *Guidelines for Reimbursement of Extraordinary Homicide Trial Costs*. Attach supporting documentation.

ITEM	AMOUNT
TOTAL	\$ -

VI. REQUESTING SUPERIOR COURT

Signature of Presiding Judge or Court Executive Officer

Date

VII. BUDGET ANALYST REVIEW

Recommend for Approval:

Yes

No

Initials _____

Date _____

VIII. REGIONAL ADMINISTRATIVE DIRECTOR

Recommend for Approval:

Yes

No

Regional Director Signature

Date

IX. DIRECTOR, FINANCE DIVISION

APPROVED

DENIED

Finance Director Signature

Date

FOR AOC USE ONLY

Amount Approved: _____ Date Disbursed: _____ Date Notification Sent: _____

Date	Indicate the date the form is being submitted.
Amount Requested	<u>Do not enter data.</u> This cell will automatically calculate the amount requested.

Court Contact Information

Court Name	Enter the name of the Superior Court.
Contact Person for Claim	Enter the name of the court staff person who can be contacted regarding the reimbursement claim.
Telephone Number	Enter the contact person's telephone number.
E-Mail	Enter the contact person's e-mail address.

Claim Information

This section provides a total summary of all claims. Enter the following information for each Claim Detail form being submitted.

Name of Case	Enter the name of the case.
Fiscal Year For Which Funding is Requested	Indicate for which fiscal year you are requesting the funding. Requests for funding are limited to one fiscal year; for cases spanning more than one fiscal year, separate requests should be made for each fiscal year, where possible. (Note: Reimbursement requests must be submitted no later than 6 months following the last extraordinary expenditure for a case, or for ongoing cases, separate requests for funding must be received by August 15 of each fiscal year, where possible).
Start Date of Case	Enter the date the trial began.
Date of Last Hearing	Enter the date of the last hearing if the case is not completed.
Anticipated Completion Date	Enter the date the court anticipates the case will be completed, or the date completed if the case has been resolved.
Pretrial or Post Trial Costs	Provide detail of pretrial and post trial costs (1) identify the expenditure; (2) the date costs were incurred; (3) why the costs are being included in the request; and (4) who authorized the expenditure.
Trial Court Trust Fund Reserves (TCTF)	Enter the amount of the court's designated and undesignated TCTF reserves.

Non-Trial Court Trust Fund (NTCTF) Reserves	Enter the amount of the court's designated and undesignated NTCTF reserves.
Amount of Reserves to Fund Extraordinary Costs	Enter the amount of reserves (TCTF and NTCTF) the court will use to partially absorb these costs. An explanation must be provided if the court's reserves cannot be used to absorb the extraordinary costs.
Prior AOC Review of a Request for this Case	If a request has previously been made through a deficiency or any other funding request to the AOC, attach a copy of the request. Indicate the result of the request and the amount of funding provided, if any.
Summary of Request	Provide a brief justification including all supporting facts. Justifications should discuss the items below and be accompanied by supporting documents. <ul style="list-style-type: none"> • A description of the case. • The reason why the court believes this case qualifies for reimbursement of extraordinary homicide trial costs (refer to the "<i>Extraordinary Homicide Trial Costs Reimbursement Guidelines</i>" to determine if a case qualifies). • An estimate of total extraordinary costs. • Discuss the court's ability to absorb these costs in the current year without additional funding.
Computation of Amount Requested for Reimbursement	Provide an itemization of the extraordinary costs. Supporting documentation must be provided to substantiate the costs.

Claim Submission

Requesting Superior Court	Signature of the Presiding Judge or Court Executive Officer is required.
Mail or fax the signed request to:	Mail or fax the signed "Request for Reimbursement of Extraordinary Homicide Trial Costs", with supporting documentation to the court's assigned regional budget analyst.