

The Judicial Council of California is the constitutionally created policymaking body of the California Courts. The council meets at least six times a year for business meetings that are open to the public and audiocast live via the California Courts Web site. What follows is captured live captioning, formatted and unedited, of the meeting of April 26, 2013. The official record of each meeting, the meeting minutes, is usually approved by the council at the next business meeting. Much more information about this meeting, the work of the Judicial Council, and the role of the state court system is available on the California Courts Website at <http://www.courts.ca.gov>.

>> The meeting will begin shortly.

>> This is the business meeting of the Judicial Council, California for April 26, 2012. This is the continuation of our two-day session. We are now in session. As you know, this because we are audiocast live, I remind Council members that we need for the benefit of those listening and watching to please address each other by name so that listeners and real-time captioning readers can follow our discussion. As you know, portions of the meeting are taped for later use on the California courts website. First thing this morning we have our consent agenda. The Executive and Planning Committee places items as you know on the consent agenda for consideration of Council meeting time and to ensure that the work of the Council and its many advisory committees can be as effective as possible in setting policy and implementing solutions to issues facing our courts and justice system. Placement on the consent agenda in no way reflects the significance of a proposal. Prior to the meeting, any Council member may request that an item on the consent agenda be moved to the discussion agenda. We have -- yes? Justice Miller?

>> Item Three finished on the consent --

>> Almost. Almost.

>> Okay. I do want to make a comment on one of the items, I just want to make a comment that I will wait --

>> I will let you know because --

>> [Laughter]

>> We have 14 items on the consent agenda. They include revisions, amendments, corrections and adoption of new rules and forms and reports to the Legislature, child support Commissioner and family law facilitator program funding, performance audit of the Los Angeles Superior Court, we thank all of the committee members and staff who worked on these reports and the work that came behind these proposals. And I believe Justice Miller you'd like to say something?

>> [Laughter] exceeds me, Justice Miller is always full of energy especially in the morning.

>> [Laughter] I did want to say something on I think which is the audit of Los Angeles County. And again I don't have any intention of pulling it off the consent agenda but I wanted to make the comment that it's on consent and ENP wasted on consent and it was very positive and I just believe should be mentioned and that Los Angeles should be recognized and congratulated

because they went through an audit, the largest courts in our state, and it was very positive and I think they should be commended for that.

>> They did something right?

>> [Laughter]

>> Well said. Then --

>> That's it.

>> Thank you. And so the consent agenda items are deemed adopted. Before I proceed, are there any members joining us on the phone today? No. Thank you. First up is item O. Before we begin the discussion agenda, I have a few brief comments on O&P. This is a momentous moment for the judicial branch. With regard to the Trial Court Funding Act, its implementation and its benefits to all Californians, the evolution of the judicial branch, improvements to the administration of justice and statewide equal access to justice, we are on the right side of history. I'm grateful to all of those who spend many hours and contributed to this very worthwhile effort, which is another as we've done, a healthy self-assessment of an important piece of legislation that makes the judicial branch, as I always say, 16 years young. But now we can look forward, not back, and again after constructive self-assessment, we have findings and recommendations that the Judicial Council can act upon, focus on and move forward to work on the future of our branch of government. We'll soon hear from a number of you who worked on agenda item O who helped craft the act originally through negotiation, compromise, good-faith collaboration, and our own administrative director, judge, among them among the details of what their study revealed. After that we will hear from Judicial Council and court leadership on item P with a recommendation on a proposed new budget development and allocation methodology for the trial courts. Whatever the outcome of the discussions and the Judicial Council votes, both of these agenda items represent real progress in the evolution of our independent coequal branch of government and in our ability to fulfill our branch's constitutional mandate. Many within and outside our branch contributed to the momentum that created the trial court funding act. The effort that implemented the act, and now will contribute to the work that remains to be done and will always remain to provide equal access to justice for all. Regarding this final report, we do have a request for public comment on this agenda item. And I'll call Justice James Lambden as a member of the California state bar's commission on access to justice. As our presenters also thereafter, would take their seats at the panel. Good morning, Justice Lambden.

>> Thank you, Chief Justice, members of council, and my friends, I appreciate you giving me the opportunity to speak this morning. As an ex officio member of the California commission on access to justice, Justice Robie is the present chair. I was a former chair. I've been a member of that group since its founding in 1997.

>> The commission as you know is most interested dose of the strategic plan developed in 2006 and to see that there is access to all the people in California that need it. I would first like to thank Judge Burrow. I attended a public hearing in Sacramento last week for the report you are considering today. I was quite impressed and we would like to thank -- and the commission

would like to thank -- all of the members of the group or incorporating men of valor suggestions in the court your dose.

>> Including the aspirational suggestions which are included in the court on page 11. Made last night when I was preparing to at least believe momentarily you had not received an additional documents from us, which attempts to flesh out with practical suggestions the aspirational goal which is included in the report. I brought those along, and have since told that they are in the pink pages somewhere as far as my comments submission. I have more comments -- copies and I think it's very important that those who may not be able to get to the website will be able to take a look at those. Before you get a chance to look at them I will comment on them however.

>> The list on page 11 of the report is aspirational. You will see that it is the same as the first page of the report that's been passed out. It has such things as all litigants -- process courts accessible etc. However there is an additional two pages that the members of the commission through a working group worked on to assist you in finding ways to measure those goals and make them more than aspirational, and to make them therefore accountable and therefore we hope useful in your discussions with both the Legislature and the Governor's Office. To give you a couple of examples, one would be that hearings may be conducted in a timely basis. Another would be that there will be adequate counter hours, and someone will answer the phone. We don't have a standard like that. We are talking here about standards and measures of the performance that we can all agree meets most of these are inarguable. The public expects to get somebody on the phone.

>> I was surprised to discover in the course of this that there is not apparently any statewide rule or statute that governs open hours for the courts. There is apparently a family code section our government co-section that says something like the hours of the family will be Monday through Friday. We did not find any measurable statement of what the hours should be. As we know around the state during this crisis there is a great deal of confusion about when courts will be open, -- between courts like the battle, they may not know -- open-door.

>> So each of the sections you will see is tied to one of the aspirational goals. Each one contains several suggestions for measurable standards that could be included in our discussions, which we believe will resonate with our co-conspirators in getting out of this budget mess, and the Legislature and the Governor's Office.

>> I think, as I have said, many of the suggestions are inarguable. Some are, maybe discussions about how they could be implemented, but I don't believe we would go too far wrong if we propose our future funding to be based on measurable items like these, so we can improve our accountability to people who are controlling our future restoration funds. So I would conclude by inviting any questions that you have. I don't take much of your time this morning. And suggest that I hope in your deliberations on the court, you will find a way to incorporate these practical measurement items in your final approval of what I think is a very good effort to solve the problem that we are finding ourselves in. If you have any questions I will be happy to answer them. I appreciate your time very much this morning.

>> Thank you Justice Lambden. And your work on the California Judicial Council.

>> Thank you very much.

>> I will have the presenters take your seat at the panel.

>> Chief, members of the Council and ladies and gentlemen good morning. Last May the Chief Justice and Governor appointed a workgroup for the progress of the judicial branch which is made in 15 years since the enactment of the trial court funding act of 1997. The workgroup consisted of 10 members, four who are appointed by the Governor and the other six by the Chief Justice. All are members of the Judicial Council.

>> I was honored to cochair the group along with Phillip Isenberg with us today. Remaining members of the workgroup were Diane Cummins, Martin Hoshino, and -- Ortega. The appointees from the judicial branch were alliance, O'Malley, Rosenberg, Yamasaki, and Davis.

>> I want to know do the very honest -- outset of the presentation, the monumental contributions of the following members of the administrative office of the courts is Jody Patel, --, Donna first which, Pam Reynolds, Cobb, Doug MacLeod, Goodwin, -- Stephen Chang, Carl Simpson, and Mr. Peter Allen. From the Department of Finance, Amy Jarvis, --. The true heavy lifting in this endeavor and they deserve a great deal of credit for this report

>> It was a consensus of our group from the outset that the comprehensive review and analysis with the trial court standing and the branches success fulfilling its expectations, was far beyond what we could accomplish in the five months. I think what we have been able to accomplish would be of value to the branch. We have met five times since November last year. We took on as much as we could in the period of five months, and were pleased to present a report to the Judicial Council today. Before we get too far into this presentation, it's important for me to note unequivocally, major funding of the workgroup and the judicial branch has substantially complied with the goals and requirements for the trial court funding act and we will talk about more details of that as our presentation goes on this morning.

>> The charge of the workgroup was substantial, and that was number one, to determine how the state and branch has progressed with the trial court funding act in 1997. Number two was to acquire whether the goals have been met.

>> Number three is to propose an option to the Judicial Council, to meet and maintain the goals for state funded trial court systems and to enhance transparency and accountability.

>> In addition, the charge to the workgroup identified four additional areas that the workgroup could but was not required to report on. Number one, and analysis of the workload metrics, staff and standards, efficiencies and other data, rolled into evaluating mistakes progress toward statewide funding in the trial courts.

>> Number two was an evaluation of the cost drivers and other factors that affect the local courts ability to provide equal access to justice.

>> Number three in a assessment of methods to enhance savings in the trial court operations to the use of administrator efficiencies and coordinated efforts among trial court members, and number four an identification of steps made to increase funding transparency.

>> The workgroup decided that these were critical elements. The additional four were critical elements in answering the question of the extent to which the judicial branch has progressed toward meeting the goals of the act, and we have addressed each of these matters which we will discuss further later this morning.

>> At this point I would like to turn the presentation over to the Honorable Phillip Isenberg for the next portion of the court -- report.

>> Phillip Isenberg. Thank you very much. This is not the Judicial Council room I sat in for five years. I can tell you that yours is much more functional and attractive. It is an honor to be back. One of the things that get lost in the American public life is the sense of history. Americans do not believe in history, intend to dismiss it. One of the opportunities that came our way in the workgroup was to reflect on the past. All you have to do is look at the history of the courts in California, since we became a member of the Union in 1850. You have been organized in dozens of different ways, in different formulas, different structures, different combinations, different titles, all the way through. Change has been a constant element of the court and is not an occasional element of the court.

>> Of course for a society which started off with 300,000 Europeans, and hundred thousand much ignored Native Americans, with a legacy of Mexican population and citizens also. We developed a judicial structure that was essentially decentralized, as an agricultural society predominately. That legacy carries forward.

>> So the courts have always been change structurally. One of the things we learned in the commissions on the future court, course 2020 commission which I served on in the early 1990s, was that all of the changes are constant, there are trends. One of the trends going on in America statewide can't going on now is a slow movement to increasing if not total funding at state courts collectively by state government. Is done differently in different states, at a different pace, but the trend is clear.

>> Likewise in California that trend has always been there, and the tensions with local customs and habits have always been there also. The modern experience of this activity started in the mid-1980s at least in my experience, and you will see the Brown-Presley trial court funding act as the first activity. It is probably not totally accurate, but it is true, to say that prior to that time the state of California had paid for the appellate branch totally. And the salaries and benefits largely of the trial courts. Beyond that of the state would get sucked into funding only sporadically.

>> Brown-Presley was a typical reaction to the problems of the court system and the growing need for a standard administration of justice. It was based on the premise that counties were financially unable to expand their funding to courts because they were now constrained by a

whole host of factors, not the least which Proposition 13, meaning they could no longer increase was about one third of the revenue source of property tax. Just beyond their ability to control.

>> A very complicated and bizarre result occurred which was the transfer if memory is correct, around \$4-\$500 million was moved to support for 10 counties simultaneously. The theory being if you get financial relief to the county, hopefully that will either buy replace state money or by the counties being able to afford some of their money, to help the court also.

>> That led to an increasing demand by all parties, which you will hear to this very day, the trial bar, essentially if you can't get to trial, and ignoring the fact that Americans don't go to trial very much. There are 20,000 jury trials of all types in California every year. We have decided as a society indirectly that we don't do trials as a way to do very much. The court system is much more and administrative and judge oriented court for legal decisions. In any event the state contribution to trial courts started the meeting -- move up, and you know from the slide point, the \$5 million increase in state funding.

>> The next thing that happened was a question of efficiency and realignment. Governor Wilson was newly elected, he came into office as a moderate Republican, and he wanted to do preventive government and he was faced with a downturn in the economy of major proportions. So the realignment, straightening up the relationship between state and local governments, was prevalent.

>> One of the things that happened was the trade with the court system in the 1991 act of the trial court realignment and efficiency act, which essentially said this they pledge to increase trial court revenues supported by state funds to buy dates in the future, by 70% work dose. It was legislative intent as you know judges better than I do, legislative intent is like Pike raced -- piecrust made to be broken. It's a delight dose declaration nonetheless. The state did in fact move out some funding so you will see in the next slide some financial information. I will come back to the predecessor.

>> You'll see financial information on trans on slides six and seven in the report, in the appendix to the report.

>> The distinctions have always historically been made between trial courts and the appellate courts. In sum total and over all, consolidated state contributions today to all court functions and all court levels is in excess of \$4 billion

>> The trial courts get, it varies from year to year, approximately \$2.5 billion today a state funds. Those state funds are composite of general fund contributions, and fees, fines, penalties, forfeitures, all airport revenue sources related to the court system if we would roll back the slides to the last. That gets us down to the current venture.

>> After the Brown-Presley Act, form act, consolidation of the courts, the attempt that I was very fond of to remove jurisdictional limits between -- courts and superior courts, for better efficiency and so forth of the judiciary began a self-examination and came up with what I thought was reasonable principles. First, constitutionally coequal branch of government, you will

entire group to manage her own affairs, financially as well as others. And after a lot of head scratching in the Legislature, and the -- everybody said to, we agree with that. That means we don't have to deal with those administrative problems, they do. So judicial self-management may be attractive in the abstract, but you have to have to practicality of it work and that is difficult especially in bad economic times. The judiciary said we have to move toward a more statewide system of administration of justice, even though you emphasize continued local control, I think it's fair to say that you have consistently asked for as we say in the trade, a stable and secure funding source that is immune from all economic travail, wills of the voters and everything else, which everybody wants and nobody gets. Not even the educational system of California which has as much Proposition 98, has been able to find a cornucopia of money available in a bad economic situation in good.

>> It led to the act that created the new system of administration of justice. After a lot of commotion, yelling and hollering, and screaming, in 1997 The Trial Court funding act was adopted. I should probably say, I was out of the Legislature by a year for the tombstone forming the legislative -- praise being somebody's no longer around so do something nice, not as you see fit. The Trial Court Funding Act, for whatever else it was, was the declaration of the state taking over the funding, substantial burden of finding for the trial courts.

>> Secondly and most important, largely lost, a guarantee County government that their contributions, all they but -- although they would continue would be capped, not increased. Overtime, as the court system grows, the budget grows, the county share would be declining.

>> That is largely forgotten because the counties contributions have been capped, there's occasional grumbling from the counties, but it has been capped successfully.

>> When the Trial Court Funding Act was adopted, if any of you have gone back and read the statute, you will find it crushingly boring. It is remarkably free of the unusual histrionics of legislation and politics, we do not promise the world, it is not a guarantee of perfection, it is very much a work in like product dealing with state assumptions and the lion share of trial courts capping and starting to set up complicated systems to allow the judiciary to handle the hard problem of how you allocate money between trial courts and all courts at the same time. That's what the Council is doing.

>> The charge that I mentioned previously, talk to you about the trend, I stipulate in the American politics, no level of money is enough for anything. But to the half-billion dollars in the trial courts goes up and down and there's no guarantee, it is still in most peoples as nation a reasonable amount of money.

>> The interesting part about these trends on the charts, the two charts collectively, you see during a recession a decline of the general fund money being allocated to the court, and a slight increase on the proportion that comes from fees, fines and penalties to that controversy all. One of your body's chaired -- talking about not relying on general fund money and read lying on court finds too much. It's a different issue, but in the budget world in the political world, most of the say it is given -- if given a choice you would rather not be solely in a funding stream where your

competitors are the children of California. The folks who need help in California, and the collective -- activities of the state. On the other hand, that's just a practical those political point.

>> All of these factors and considerations basically come back to the point where the judiciary started which is judicial self administration. We I think fairly easily came to the conclusion that you had substantially complied with the provision for the 1997 back. The staff, the ASC staff deserves great credit for taking a complex piece of legislation, 60 pages, and dividing it into discrete elements, summarizing and analyzing the elements, and pointing out in what we you have conformed.

>> It's worth noting if you talk about the elements, over 11 link -- overwhelmingly the discrete elements of the fees, fines and penalties. And systems of money exchange, trust fund insulin so forth, and the legislation did not have the grandiose view that some people but it did. It was helpful to go through that and also helped us focus to the main conclusion.

>> Which is, if I may digress for a moment, painful as it is you're doing a pretty good job. I know you don't get any credit, and by the way that's the business. You get no credit for doing things well, you never get any credit for doing things well, that's expected of you. Don't hope for anything else. But the reality is, in America, people only talk about things that they are unhappy with. And that everything, you have a tough job of managing the system. I think you are doing pretty well for all of the problems that you face your, -- glad to be part of this result.

>> Mr. Isenberg, thank you for your results. The next portion we will turn to Ms. Patel.

>> Consistent with the charge from the Chief Justice and that Governor, the work group undertook a Rosses of determining whether the goals of the trial court funding act were met.

>> First the workgroup reviewed the findings and declarations, and the rationale behind the decisions to pursue trial court funding. This review reveals some key findings that include the following. And are outlined in greater detail in the report.

>> A couple of the findings were funding of the trial court operations is most logically a function of the state. State funding is necessary to provide uniform standards and procedures, economies of scale and structural efficiency and simplification. Structural improvement will provide for an improved court system cop uniform and equitable court system, and will therefore increase access to justice for Californians.

>> The workgroup also looked at a sampling of judicial branch accomplishments that Mr. Isenberg just alluded to. These accomplishments demonstrate that to judicial branch has met the goals of uniform practices and procedures, taking advantage of those advantage of economy, scale, efficiency and simplicity. The sampling alone contains 56 different items of accomplishment that we ended up categorizing into eight broad categories. These accomplishments are highlighted in the attachments three, four and five of the Judicial Council report

>> You will note that these attachments reflect completion of express requirements of the act and specifically described no grams of services and activities that demonstrate achieving the goals of the act.

>> The workgroup's review of these attachments rarely reveals there's clearly revealed as the justice indicated, the impressive set of accomplishments in the judicial branch since the enactment of the trial court funding act.

>> One of the biggest challenges for the workgroup was to determine, how to determine if the state funding has led to equal access. Clearly the trial court funding act set equal access as one of their primary goals. It did not define it.

>> Even though the bill was 60 pages and it talked about equal access throughout this bill, no point in the bill was defined. So the workgroup reviewed several reports and studies including the 2020 report from the commission of the future of California courts, as well as the submission of the California commission on access to justice. Chaired by Justice Ron Robie. In the end, the group did not have a concrete justification of access to justice. But the workgroup didn't feel as a minimum, equal access to justice may include the following elements of which justice Linda and just recently outlined. They include all litigants should receive due process.

>> No one should be denied access or disadvantage because of language, custom, lack of comprehension, disability or income. Neither geography nor physical impediment should bar the tools of justice. Courthouses are designed and operated to ensure equal access. That access should be affordable. And that courts should have adequate numbers of judicial officers and staff.

>> Lastly, the courthouse should always demand -- remain open.

>> The workgroup identified four areas that could help assessed how far the judiciary has progressed in meeting the goals of the corporate funding act. The findings of the workgroup were made with regard to each of these four areas -- the first area, metric staffing standards and efficiencies, with regard to this area the workgroup found that the branch had substantially complied with the act. Fully completing most of the express statutory requirements. The workgroup further found that the principal area where additional area work needs to be done is ensuring that resources are allocated to the trial court in a more fair and equitable manner. Consistent with the level of workload and other cost drivers.

>> No less important is the work needed to be done to ensure that the state-funded system has resulted where appropriate in the adoption of uniform standards and procedures economies of scale and structural efficiency. All of which are consistent with the goals of the trial court funding act.

>> The workgroup further found that the current approach to funding may in fact have exacerbated the county in funding that existed before trial court funding work as a large portion of funding allocated is based on historical percentages that did not account for workload fluctuations.

>> This message -- method does not promote equal access and is not designed to promote statewide policy, priorities or efficiencies.

>> The workgroup reviewed, received an overview of the resource assessment study, RAS for short cut, to clarify the 56 working group and adopted by this Council in the past February. As well as a presentation from -- budget workgroup subcommittee. Judge all and her subcommittee will be presenting their recommendation immediately after this report.

>> The workgroup was impressed by the work of both of the groups and felt that the RAS model is significant in sharing -- ensuring funding is allocated in a more equitable manner. RAS is based on workload, waited caseloads to create standard workload matrix, and takes into account changing over time. So as filings fluctuate across the state, RAS takes into consideration those fluctuations and adjusts for that.

>> Both the RAS and the work of the subcommittee which includes key components, represents great strides in creating a funding vital that leads to equity and funding for the judicial branch.

>> With regard to cost drivers and other factors impacting equal access, the workgroup found that similar to all government organizations, labor costs are the single largest expenditures in the trial courts. Averaging about 79% statewide.

>> Complicating this cost driver for the trial courts is the fact that there is currently a unique -- system that exist in our trial courts. The try for cadre system includes courts negotiating salaries and benefits. The counties negotiating retirement benefits, and the state providing funds for all of the negotiations that occurred at the local level.

>> The workgroup found that the facility operations and maintenance of the trial courts are also significant cost drivers and implementing a budget reduction, courts make decisions that can impact visual access to justice. Closing branch courts or reducing hours. In addition there are no statewide criteria for such closers are reductions, and I believe -- alluded to this as well in his public comments. With that I will turn it over to -- to recover the remainder of the workgroup.

>> Thank you. As noted, the next lines will continue the discussion of the workgroup findings. We turn to the methods that may be used to add to branch savings through administrative efficiencies and court efforts. I have to say we were impressed with many of the accomplishments that are already in place. The Judicial Council and the courts demonstrate significant efforts to coordinate our activities and improve the system of justice, maintaining our cost.

>> Two examples. One is the judicial's -- on children in foster care. Developing practice to improve the uniformity of practices and procedures statewide and in the area of juvenile dependency and standards and guidelines for this critical work.

>> Secondly we would note there was also the -- Riverside counties shared procurement service programs that use the courts expertise and resources to conduct bidding for course that did not have the capability to take competitive bidding in-house in 18 courts joined in that effort.

>> With regard to the steps necessary to increase funding transparency of the work group found that the OC places a significant account this amount on the California court for those that find funding there. It did not mean decisions about funding were transparent. The workgroup found that the posting of information on the Internet is insufficient. This effort in the funding information incisions must be uniform. It, -- comprehensible to the normal person.

>> And the funding information provided by the trial courts also needs to be -- to the public. Simply providing baseline budget information is not -- tell the public why and how decisions are being made as the funding priorities.

>> They were additional findings in the core categories identified by the chief of government, as I noted earlier in the charting document for the workgroup. They would -- additional funding. As Ms. Patel discussed further the workgroup -- accomplishments made by the branch in the uniform practices and procedures, taking advantage of economies of scale, creating efficiencies and simplifying processes and procedures. Many of these legitimately are permissive and not following statewide dose followed statewide by some of the trial courts and should not be. Others may in fact lend themselves to statewide implementation.

>> The workgroup down therefore that in truly having a statewide court system the Judicial Council needs to reevaluate the many accomplishments detailed in the attachment five to the report consider making some of the mandatory where appropriate.

>> We turn now to the workgroup recommendations to the Council.

>> In all we were able to make 18 recommendations which you will find in the executive summary on pages 38 to 43 of the report.

>> Given the time we have available to us this morning we cannot serve all 18 recommendations here. The workgroup had hoped to have the time to consider indicators of equal access to justice for the Council to evaluate cut to provide transportation -- transparency and public access to resources. We did not have the time.

>> The review of the recommendations makes clear the workgroup's perspective and that is the process of value waiting progressive implementing a B2 33 is not complete as the Chief noted a few moments ago, the judicial branch's efforts to bring equal in quality justice to all is and always will be a responsibility.

>> At this point I do want to stress that our recommendations do not suggest centralization of trial court operations or suggest usurpation of the trial courts. The workgroup understood and agreed with the concept of 8233, not intended to change or diminish the necessary authority of local trial courts and our efforts you're not intended to do that either.

>> These recommendations to suggest that uniformity in the operations of the trial courts were appropriate, and they can help achieve the goals in the 1997 act. These two concepts are not inconsistent. Uniformity and standards for equal access can equally coexist with the trial courts in serving the diverse needs of their own communities.

>> In summary these 18 recommendations .2 additional work of the branch to take and fully implement the proper funding act and to achieve the goal of the state funding system. Guarantees equal access to justice regardless of the county in which one would sides. We come a long way but there's still much work to be done in short the workgroup's recommendations followed up three broad categories.

>> Those relating to equal access to justice, those relating to ensuring there is equity in funding, and the trial courts and those relating to efficiency, uniformity are appropriate across savings the judicial branch.

>> You'll see from the report a significant number of the recommendations cannot be achieved in a day. Most suggest that the Council develop indicators of equal access that should set statewide priorities and should mandate the implementation of certain innovative programs and services that do not try to fund local court authority.

>> One recommendation that is immediate is recommendation number six. I would like to spend a moment with that. Recommendation six at the man's that the Judicial Council adopt a new method for the allocation of trial court funding to be implemented effective July 1, 2013, for the 2013–2014 fiscal year. Simply put, the formula for trial court funding replaces 1997 cannot continue. Arguably and in my personal view, it inhibits one of the most significant roles of the act. The workgroup differs Council for determination of that formula, but you will see a recommendation six through 11 that we have been able to identify principles and factors that we believe the Council should consider and adopt for a more equitable formula for him to locating for the -- allocating funds to the trial courts. In conclusion we offer the were courts -- report and to the Council for consideration and would be glad to answer any questions the Council may have. Thank you

>> Thank you. -- I open it up now to questions, comments and I invite members of the workgroup to please state their thoughts about this report. Judge Rosenberg.

>> Thank you Chief. I want to say it was a rare treat for me to work with the other nine members of the workgroup, including Phil Isenberg, the author, a co-author of the trial court funding act, to be able to work with a co-author to understand the history and the intent that went behind all of this was a wonderful opportunity. We had a hard-working group and a hard-working staff led by Jody Patel, that did I think a tremendous amount of work in a relatively short amount of time. I completely concur with the recommendations but would like to point out briefly, but the group did not address. That was not our charge. And that is the question of the adequacy of funding as a whole for the branch.

>> In my opinion, and I am sure this opinion is shared by trial court judges throughout California, the reality in the neighborhoods that trial courts work is that we have received a

reduction in funding. The reality is that we have had to furlough and a trip and many trial courts have reduced by 25 to 30%. You can show me all the charts in the world but that's the reality on the street. We have been able to backfill the trial court level, through various need -- means using so-called reserves. The Judicial Council has move money around primarily from the construction fund to backfill. But those reserves are going to be gone. And construction projects have been slow to stymied. So unless the overall funding situation improves, it's going to get more and more difficult for trial courts to do what they are charged with doing. Simply put it, one cent on the government dollar is just not enough to maintain a judicial branch of excellence.

>> Again, that's a subject we did not address that I needed to say that on behalf of the trial courts.

>> Thank you Judge Rosenberg. --

>> So, I was not really clear on what we were going to find during the evaluation. Something that you just said hits home, as I think back on what we did on this workgroup. We don't really look for praise perhaps, we just do as a branch what we are supposed to do. This effort really identified the enormous accomplishments that have been achieved over the years, by councils of years past, councils of now, and councils certainly of the branch that we will be serving in the future. It was just a fantastic observation and discovery at the dedication that everybody who has been part of reforming this from the beginning, just being able to see all of the things was unbelievable. It was a great exercise for us to actually put it in writing. And also, be proud of some of the things we have done. I don't know if we're looking for praise, certainly we are, should be patted on the back of things we have done. That's not what we are looking for. We are moving forward to try to make improvements with what we have, and going back to something Judge Rosenberg said, about how challenging it is, we are trying to do our best. We have a great group of people who are endeavoring to do so. It was really a privilege for me to participate on this workgroup

>> Thank you David.

>> Justice Miller.

>> I also want to commend you and praise all of you for the historic work you accomplished in this area. I do have a motion that I don't want to get ahead of others if they want to continue to praise you. [laughter] I certainly don't want to cut them off. We don't get to hear the praise that often. So when we are ready to reach that point, I tried to group these 18 recommendations in the areas they should go to. I'd like to make those motions that I wanted not get ahead of others.

>> I went to get my praise in. First I want to say that I appreciate the Governor and his staff. And how they a critical time in our budget, really a turning point, that this idea came up what -- about and we had their cooperation. I think we not only had the Governor's cooperation, but their interest. He appointed stars to this panel, this working group. I am grateful to have, I am a fan of the history of the state. I think we learn from it and were stronger for it. I'm thankful that you Mr. Isenberg could give your time. In present today to provide us with what you knew and what you went through at the time this was created. You look at it now as an 1997 act, but those of us who

worked in the Legislature, who worked in the Governor's Office, those things do not come easily. We know the kind of work you put into that and really we look at it now, and it's a center piece of legislation for the judicial branch. And it shows what the best collaborations, there is such good work that is gone on in the branch. This has not been without the assistance of many legislators, legislative leaders like yourself, Governors who also saw the separation of powers and respected it, and understood the budgetary restraints that required attention by all Californians ear, I have a great deal of respect and gratitude for what happened in 1997. We really we can tell it started well before 1997. As you pointed out in 1988, incremental steps that happened in the Legislature before a breakthrough in this piece of legislation. We learned from that. In some ways the judicial branch is a microcosm of that evolution. All I can say, I watched this, we all watched it and read about it, we are grateful to all of the Judicial Council members who gave of their time. We asked a lot of you in a very short period of time, to bring together a much work -- 30% down and employees, spread thin, produce this report. Again I am astounded by the excellence in this branch in the cooperation. You have my gratitude. I think it's a superior retrospective analysis work also an introspective analysis and it gives us perspective opportunity to continue this good work that cascades from this act. That is my two cents.

>> [laughter]

>> I certainly didn't mean to cut anybody off. What I tried to do in you can follow along on page 6 of the executive summary of the trial court funding workgroup report. I have seven separate motions. In reality what I tried to do is 2 through six is assign them to different areas and committees so that work is continued.

>> I think what I will do, what I would like to do is read all seven of them first and then we can talk about them individually.

>> This it is a first is can you put it all into one motion but have it in seven parts?

>> Sure.

>> That's what I would recommend.

>> Okay. This is one motion. Seven separate parts. I will read through those.

>> The first is the report of the trial court funding workgroup, adopt all 18 of the recommendations. The second part is recommendations one, two and 13 address identifying and implementing statewide priorities and policies including policies on physical acts to courts, all to promote greater access to justice. That portion of that motion would be to refer recommendations 1, 2, and 13 to the executive planning committee to review, take appropriate action and make timely recommendations to the Council.

>> Recommendations three, 12, 13, 14, and 17 relate to promoting efficiency cost containment accountability -- the recommendations address review of the data, developing indicators to assess if courts are offering efficient we and promoting equal access to justice and providing quality just as. The motion again is to assign to affect event planning to form a new committee to

address the non-funding related aspects of these recommendations. Again that committee would be time related with specifics in date. 312 1314 and 17 would be for the creation of the new committee to take that appropriate action.

>> Recommendations four, six, seven, eight, 10 and 18 related to the new methodology to allocate funding, development of funding priorities, ensuring greater transparency in funding decisions, this portion of the motion would refer those to the restructured trial court of budget advisory committee to review and take appropriate actions to make timely recommendations to the Council recommendations 5 and 11, relate to developing indicators or methods to demonstrate effective and accountable use of resources and provide decision-makers information on resources and how they can be used to increase access to justice. This portion of the motion would refer to 5 and 11 to the SB 56 advisory committee to review and take appropriate action and make timely recommendations to the Council.

>> Recommendation 15 relates to identifying remaining -- of the pre-unification period that are insufficient or result in unnecessary costs. I recommend that it be referred to the trial court presiding judges and court executives advisory committee to review, take appropriate action and make timely recommendations to the Council.

>> And lastly, I recommend that we direct the Administrative Director of the Courts to work with EMP to assess and report back to the Council in June on the resources required to provide necessary and appropriate levels of staff support to the various committees tasked with following up on the recommendations of the trial court funding workgroup, so as to be able to timely and effectively implement the directives in the various committees. That is my single motion with seven parts.

>> Can you repeat that? [laughter]

>> I would second that motion. I just have one clarification question. Is the last part referred to the director who would report back in June? Is that too quick or doable?

>> That's a report --

>> I think it is quick but I think we have to do that as soon as we can, because a lot of this work needs to begin immediately. Some even before July so we can be ready. So I think it's important to have it done quickly.

>> So I have a motion. I have a request for clarification. On that part of the motion that refers several items to the new restricted trial court advisory committee, that issue we will address later? Or did we already approved that?

>> We approve that.

>> Thank you. I wanted to make sure.

>> Justice Miller, recommendation nine?

>> Number nine would go to the trial court budget advisory committee.

>> And nine budget advisory committee.

>> And 9C has a component.

>> Is a recommendation in fact 9C go to the internal subcommittee

>> I think there should be coordination between the technology committee and dose

>> I'll take that as a friendly amendment.

>> Thank you.

>> Any further discussion or comment on either the report or the recommendations pick

>> Motion? Not seeing any hands. Judge Baker.

>> I have a question took is not recommendation number six being addressed in item 3 on today's agenda?

>> A lot of them are work that item 6 again will go to the trial court budget advisory committee. I have motions on item P which I've also coordinated.

>> Be prepared.

>> My concern, I do with a recommendation to be adopted in go out for either, I want them all coordinated in some way. So they're all going to be assigned to specific committees whoever responsibility to report back to us.

>> Judge Ellsworth.

>> I think Judge Baker's point picked up a good point. This is just laying the groundwork in order to go to the next step. If we assess the motion as it is at indicated. It lays the foundation for the next piece of this to be presented shortly. I don't think in any way does it detract. It actually lays the groundwork. So therefore I am in favor of this motion as it has been presented.

>> Judge Rosenberg.

>> The motion is astute. Sometimes we get reports, committees, in today's get reports and we say thank you and then they can be put on the shelf for historical purposes. This motion ensures that we not only accept the report and recommendations, but that there be follow-up and it be designated through various groups to follow-up. So it's a very appropriate motion.

>> All in favor say aye.

>> Any opposed? Motion carries. Thank you, thank you, thank you.

>> We will take a break for 15 min., and reconvene to address item B -- P.

>> [Assembly on break for 15 minutes.]

>> [Captioners transitioning]

>> [Captioner standing by]

>> Our presenters are presiding judge, Brian Walsh, Jake Chatters, and Sherri Carter. Welcome. Thank you.

>> Before we start, I just remember this, thank you. We have several people that would like to speak on this. We welcome presiding Judge Marsha Sloss. Welcome Superior Court of California, County of San Bernardino.

>> Good morning. Chief Justice and members of the Council. I come to you this morning first Chief, to complement you as well as Governor Brown for convening the trial court funding workgroup. Their report that you just adopted clearly points of the issues and service and foundation for the item that is now on your agenda. I also want to complement Judge Burrell for her extraordinary leadership in handling this issue as well as the AOC staff and the various court leaders that have worked so diligently on this critical issue for all of us.

>> This morning I speak to you from one of the under [Indiscernible] court, one of many. San Bernardino County superior court has already implemented to separate phases of operational reductions as a result of the year after year after year budget cuts. These cuts which are laid on top of the historic and inequitable system of allocating money to the courts. Each phase has resulted in us trying to close court rooms, lay off employees, and stop and illuminate. Critical services for our systems.

>> And it relates to employees. State wide standards show that we should have 1500 employees to handle our files and are coming. As of May 3rd, which is one week from today, we will have fewer than 900 with regard to the closures we now have people in a county that have the drive over two and a half hours one way to get to the closest open court. The report that was just presented clearly pointed out that some of us are driving over 200 miles to get to a courthouse, clearly access to justice is a challenge. We are not done yet we have still not closed are budget gap in our county. In your 14 -- 15, we are still facing a million-dollar hole. That situation leaves me to a few key points. First, it cuts to our core, the host work model of allocating the money to the 58 counties has resulted in severe disparity. for example, we have counties, courts, that have almost the identical workload and yet one will get twice the money than the other.

>> On the other side of that coin, we have County courts that have the same amount of money allocated to them, almost, and yet one gets does have to workload. The negative impact of this type of despair treatment ball weighs too heavy on the residents of the under resourced courts.

The proposed model that comes from for you today will hold. will help. It will be based on workload and take several years to be fully implemented, it will come with time improve our delivery of justice to our residents. Finally, even with the new model our court as I stated this is a multi- million-dollar shortfall come July 12014. The new workload model will offset a portion of that episode -- deficit. Because the state plans to sweep our reserve, June 30th, 2014, we will have no method to close the gap.

>> Except for implementation of phase three of our productions. That means for closures and more layoffs. I fear that when that point comes, that is only 14 months away, that our county will have indeed reached its tipping point. The point at which the number of our courtrooms and our remaining staff will be insufficient to be handling the cases being filed in thousands of our citizens will have no reasonable access to a courthouse.

>> I am here, Chief and Council to wholeheartedly recommend that you adopt the model that will soon be presented to you. My other ask, is simply that we cannot for one moment leave that the model is in and of itself the only answer. We have to, we must continue to work with the Governor and the Legislature to restore funding as well as ask them to reconsider the sweep of our reserves which is a tool for managing through these difficult times. the state cannot be your and, it will not be the end of my fight for the battle of justice for all of us before the cornerstone of justice is swept out for more of us. Thank you very much.

>> Thank you. Next, we will hear from presiding judge David P Warner.

>> Good morning Chief and members of the Council. I appreciate the opportunity to dress you this morning proposing the allocation of funding methodology being presented. This new allocation system is the key to the financial survival of the court. Since the enacting of the [Indiscernible] 1977 we have in stock and in our start allocation process. For over 15 years the inequity of that system has been perpetuated. It has resorted -- reported some courts from a monetary standpoint and punished others. San Joaquin is one hurt with a lack of financial resources.

>> When I referred to well resourced courts and under resourced courts I am referring to the financial relationship and one trial court to another. I acknowledge that all of the courts are struggling due to budget cuts and do not have the resources required to properly deliver a proper justice system. That being said, some cars get a better shake when it comes to revenue is the version. Some getting million dollars to do the same work as other courts. I witnessed the hours spent on developing the new model. I need to take a moment to thank and congratulate Judge Earl for the work and effort she put an end result of that effort.

>> Which is being presents to you today. She was instrumental in moving the process forward, being able to keep people on task and moving them forward throughout the process. We are pleased with the result and thank her and the entire subcommittee further effort. the implementation of that new methodology is a different matter however. Before you as a recommendation to base the new model and over five years and then over the 50%. It requires for money from the state to implement the system. The risk is over time and may not get fully implemented. This is our experience with RAS, the old model. It was used for about three years

to supplement funding under resourced courts and then found to be flawed, outdated, old and was never used again as a blending tool.

>> We have been waiting for 15 years for a pair process and now that we can see it and it is in our grasp, if we phase in and over the type system being suggested it really won't provide much benefit. At least not now. We are told that the spaces necessary to allow the well-funded courts to adjust. There are other options. Our request is to fully in bloom of the methodology now and allow the courts to taking cuts to apply for supplemental funding if they faced a deficit, just like we were told to do. That is acceptable for under resourced courts why is it not acceptable for the better resourced courts?

>> We can make the process available to them as well. Beyond the five-year phase and the remaining 50% of the system relies on hundreds of millions of dollars of new state funding to put the model fully into operation. We feel like we are being held hostage to the state, we have no idea when and if the state will provide more funding to the branch and in the meantime, we simply have to wait what happens of the state does not come up with the money? Apparently the resource courts would again be logged in to that old inequitable funding system where they are hurt financially here after year. It does not sound like a fair system. The bottom line is only 50% of what Isenberg intended is put into place depending on what the state does. An additional reason for the slow, for under resourced courts to figure out what to do with the new resources. I am taken back to the argument. We are under resourced, not stupid. We can use the money, we need it now.

>> We will find ways to use it wisely including getting all of our case types moving again. I would like you to think about this question. If I were to be followed by the state and they were to tell us branch that they were going to completely illuminate the cost to provide over \$1 million of missing funding to the cards, what would your response to that be? Stakeout we appreciate what you are offering but you need to wait we need time to think about that. How about we phase in and over five years and after five years we will only be the 50%. That way we will be able to use the money wisely. Is that the response we would give? Not likely. You would get the response and appropriate so that all funding should be restored immediately. That is our answer to the same question. Even if the new funding methodology is put into place in total he would not be back to where we were with our funding.

>> One minute.

>> We do know what to do with the money. Allocate to us with a spare. The present proposal also recommends all the money be allocated with the new methodology. Why continue to increase funding to the better funded courts at the expense of the severely underfunded towards? Why not provide all of the new money to the most severely under resourced courts, whoever that is and continue to build them up and others until they have gotten up to proper financing?

>> All we ask is to be treated fairly. That you provide us and each trial court with the resources commensurate with the workload that they are expected to complete. We have heard for years how our financial position is on. and that the system needs to be fixed. We are asking you to fix it now. Not five years from now, not 10 years from now but now. We thank you for taking the

time to hear the arguments of a historically under resourced court and I will remind you, we do need your help. Thank you.

>> Thank you, presiding Judge Warner. That ends our public comments. Judge Earl?

>> Thank you, Chief. I do have to say that the previous presenters stole most of my material so I will tailor my comments a little differently and you have heard them before. As you know until 1997 the primary responsibility for funding California trial courts called upon the state's 58 counties. Individual court buses were dependent on the financial health of decision-making of their county governments. As a result, court services vary from county to county leading to disparities and the administration of justice. In his 2001 adjust Chief Justice Ronald George described the inequity of the county funding structure. Disparity in quality of justice is erratic. Local courts were on the verge of closing with staff cutbacks and unpaid and -- and funded payrolls -- ultimately the entire administration of justice at risk. Some familiar? In the early 19 nineties in an effort to provide stable funding to the trial court's judicial branch began to advocate for state wide funding for would be an act of the trial court funding act of 1997 the primary responsibility for trial court one thing shifted from the counties to the state. In its September 2001 report entitled completing goals of trial court realignment, the California legislative office, chapter 850 was intended mainly to provide a mechanism to provide adequate funding measures for courts and ensure equal access to justice across the state. The level that each fund would receive was based upon the amount of funding that courts received from the counties and fiscal 1994 and 95. Under the funding methodology in place since that time, the judge I still -- historical allocations. During this period despite diversion rates of population, caseload and local cost growth historical funding levels have not been adjusted to reflect the specific changes I make changes on the court changes I make or buy court bases.

>> 2013 a little more than 10 years since the enactment of the act, the State of California is in the throes of an economic crisis. As a result trial courts are once again curtailing services to the public. The timing and consistency in which trial courts have reduced services or access has been difficult to predict. While the fiscal crisis has affected all 58 courts, the impact has been erratic affecting different courts in different ways at different times and some more deeply than others.

>> While most of the 58 courts have implemented employee layoffs others have had to go further. By closing courtrooms and some cases full court houses. In a time that resources are scarce, the disparity of funding has not been corrected with the current state-funded system. Historical differences in resources have once again amounted to disparity and outcome of court users. I think the need to remedy funding inequities our subcommittee was formed last November to address this issue.

>> The subcommittee consists of six members, six presiding judges and nine committee members. the charge of the separate it was to develop a trial court funding model that would result in a more equitable distribution of funding for all the 58 courts. What has emerged from these efforts is a recognition that whatever models are used to categorize RSS needs a more comprehensive budget -- budgeting process is needed.

>> On behalf of the subcommittee, we are honored to bring forth the recommendation that represents a trial court budget process that will result in a more transparent and equitable distribution of funding. It is a step-by-step budget development and allocation process that allows each of the 58 courts to establish their base needs. We have proposed to our colleagues -- that occurred on March 25, March 29, and April 2. We have presented our proposal to the trial court funding workgroup on March 26. We have presented our proposal to the California State Bar and open courts coalition and just one week ago, we presented in three different sessions to legislative representatives, members of the department of finance, Governor's Office and analysts office, organized labor and are just as partners. On April 9th we represented are recommendation which anonymously approved the [Indiscernible] we are eager to bring to for approval today. I want to tell you a little bit about the proposal before we walk you through some graphs and spreadsheets. the budget process would propose involves two steps. Budget development procedures and protocol for achieving relative parity.

>> Allocation procedures that allow specific approaches and make allowances for rep nice adjustments. the budget development process is rooted in work force measurements based on the working group and updated the resource assessment study. The assessment study is based on the one constant each card has. Case filings. In time studies to estimate staff workload needs for 20 different case tech notes averaged over a three year rolling. Although the resource assessment study forms the foundation for the proposed methodology, that study does not capture all the work of the courts nor account for all court costs and is not intended by itself is a hunting model. Thus our post methodology builds on the assessment study, attempting to account for all the costs, the cost drivers associated with the court. Allowing for the opportunity for trial courts to ask for adjustments in their allegation and circumstances within methodology does not account for certain workloads or operational costs and accounting for labor differentiators.

>> First, the methodology does not alter the courts ability to make independent decisions on how they allocate funds within their own court. While the application of the methodology may limit the funds they may receive based on workload needs and cost of labor differentials, the model does not to courts how they have to spend the money including how much they should pay their employers. Each card will receive an allocation and spend it as they choose.

>> And also and subsidize court's to be more efficient. The workload study for particular court identifies the need for 10 full-time equivalent employees in that court has figured out how to perform that particular work with your employees, they would be able to allocate the funding they receive for those 10 employees to other areas of their operations where perhaps for resources I needed. Trial court thus retains local authority and accountability. Wesley the methodology maintains the authority for trial courts to carry forward fund balances whatever they may be at the end of the fiscal year. the allocation methodology is premised on identifying needs for court operations and comparing that amount to available funding. Application of the new methodology would require ships and baseline courts to others.

>> For example, those courts whose proportion of statewide funding is less than their workload needs and below the statewide average funding needs, would see an increase in their allocation. These are approximately 23 courts most notably the superior courts and counties obtain, Imperial, Riverside, San Bernardino, San Joaquin, Samuel Briscoe and [Indiscernible] 18 courts

of the statewide funding is below their work load need. But greater than the statewide average funding need.

>> Thus, while these courts are identified as needing additional funding, there need relatively speaking is not as great as other courts and they would see a reduction in their allocation. Among these courts includes counties of Alameda, Contra Costa, Fresno, Mendocino, Orange, San Diego, San Francisco, San Mateo, Santa Clara and Sacramento. In light of the impact of these shifts in baseline funding you will see that we recommend the use of the methodology be phased in over a five-year period of time. In a moment I will turn it over to Jake to walk you through the proposed model. But before I do I want to address a very important component of the methodology. When we are continuing to refine and that is a component of the working group believes critical to the proposed model and that is the recognition of the cost of labor differentials across the 58 counties. One of the calculations is an estimation of salary in each court. Our subcommittee firmly believes that equity would not be served to allow a court to receive funds for actual cost of salaries. At a time when court funding has been produced over the past five years, paying the actual salary cause for some cars could deplete the body available for other courts. Instead a compilation of average salary of each court was determined and a cost of labor adjustment using the most accurate and available data on the wages of local government employees in each county was applied.

>> In applying the cost of labor adjustment, data compiled by the Bureau of Labor Statistics appears to be the most accurate and justifiable data. You will hear today that there is some refinement that we need to do on the application of the Bureau of Labor statistics and that is what we will begin doing immediately after the council meeting. Let me just say that we are confident in the integrity of the proposed methodology and the implementation schedule but it is not perfect there are a number of refinements that fine-tuning if you will then need to be made to move it closer to perfection. Without a doubt, the proposed workload based allocation and funding methodology provides for allocations based on identifiable metrics and provides each a much greater equity in allocations of each of the 58 trial courts. So I will turn it over to Jake Chatters to walk you through a graph of the proposed model.

>> That you judge. Thank you, Chief and the Council. I have the pleasure of walking you through our bubble chart which means for those of you who have like elves rock, will be very happy. For those that do not enjoy, I hope you forgive me. the chart in front of me -- of you, [Indiscernible] the top left corner in orange color talks about establishing our FTE needs. As Judge Earl mentioned, this component of the process relies essentially today exclusively on the work of the working group and the resource assessment study as adopted by the York Council in February. That measure that has been worked on for many years. Input of thousands of employees of the state and judicial branch, court research, etc. the core calculation based on a weighted caseload model so that those courts received a higher percentage of Emily's -- felonies, a higher percentage of infractions. As you know, that is important. For Mike court in foster County compared to others we have lower amounts of infractions than others. Here we look at told number -- not recognizing the fact that we have a larger caseload of felonies than we do of infractions.

>> It uses a three year weighted average in those categories that Judge Earl alluded to and as a simple mathematics calculation, to come up with the number of FTE. That FTE number is what we call, which are operational status, our clerks and are clerk, court reporters, legal research attorneys, mediators, child custody counselors, probate investigators. Add to that based on factor the number of program 90 steps which are accountants, HR professionals, administrators and also has a supervisor factor is on the number of FTEs.

>> That number gives you an FTE count. We want to be cautious, you can't is that FTE count as a comparison to a court based on how many positions are filled today. As Judge Earl said, as individual cores we make decisions on how to best make our needs and in some cases that means that we need more than one -- it may be different than the model. For us in the smaller courts, the model may say we need a fraction of an FTE for April we investigator. That would be reasonable.

>> I may use a contractor to perform that function. As a result, you cannot compare the two numbers directly because of might say I need 200 employees but I only have 150 because I have to provide some of the services in a different way. That is why he reached the next step which is how it looks to convert the FTD dollars. Since the CF to do numbers is not a good conversion we have a way to convert that FTE need which is essentially how many FTEs you would need if you choose to use FTEs to complete the work at convert that to a dollar value.

>> It does use today recognizing that we bargained locally and we have no intent of this model to change that structure. a respectable of the environment we have today. Takes the salaries that we have today, the benefits we paid today on a -- health benefits, vision, dental. Factors in our current an existing retirement costs. You are aware, his those existing cost today that provides us a dollar amount is adjusted as Judge Earl alluded to. Use a comparison of salary and what that looks like that is not include the next bubble, the cost of our support not offers cart pushers and refers. I stand today, we added for each court are there actual cost, actual subordinate officer position. That is in need. That is not relevant without the need for the authorized positions to be, yellow box on the right, little PC, was just personal cost and that is the cost necessary for each court to meet their operation needs. One caveat I skipped over. It doesn't include interpreters, it doesn't include additional costs as they look at realignment. That recurred after the model cobbles comes included. Doesn't include costs for child support archer cost, for example a not included because those are reimbursable.

>> This is our core operation costs are accounted in the PC bubble. Going down to the next line I'm stuck to. We carry that dollar amount forward and we add to it in the red bubble operating expenses. This is a factor for each court based on the FTE need to go as a group, a general ledger group and we will go through that line by line certainly, but every account courts spend we reviewed and we reviewed for a couple purposes. One was to determine because we make local decisions some cases are operating expense may already be captured in that line one. We don't want to double call and exaggerate the cost. Line by line, remove those costs, ensure we have a reliable amount of money for operating expenses.

>> One of the pieces would like to clarify for those outside of our branch is that you can't look at a private company or even a government agency and say, what is an average cost of operating

expenses and corrections or in DMV and compare it to us in the court systems we have some of the operating costs, case Jordan cost. Psychological examinations for example. These are things that other jurisdictions won't have. We need sufficient funding to address case related expenses that occur in the adjudication of cases. We took the total amount of those expenses and created a factor or FTE that would be added to each court. Two separate numbers, they tend to, just because they're smaller they still have some base level cost that we all have procured by software and in many cases there are that causes software, incremental cost for FTE. For those small course we have small costs and we as a chiropractor which sure it will get to later for the cluster one court.

>> Next to that we added in what are called the heating factors. No model can entirely address everything that we do everything. It does its best for there are some things that the model cannot handle due to lack of data or complexity.

>> We contemplated across which course could submit to a group, so far undefined and say I have a special circumstance that needs to be addressed. Those are what we call any factors. There are three primary elements of that. The first is a case mixed in the categories. We have 24 categories we measure workload on. That is a lot. Death penalty case is different than a non-death penalty case that might still be a felony.

>> There is a way to request additional funding for this process. the second is locations and I will use myself as an example we have our main facility in Roseville and we have a small facility on Lake Koppel. That the facility has four staff. Even though it has four staff and is 100 miles away. Needs management personnel there. Model may not adjust that issue and I may want to request special circumstances and say and need additional funding to deal with the state of my community that is not in the main population center.

>> That a third, the BLS factor and in some circumstances there may be some unique needs related to salary structures and a court. At this point we are allowing for, we can address this through this process. Do the local labor dynamics there may be a need for a court to identify a special circumstances. Those of the Padilla Paul on this category. Acknowledging we want something for 13 and 14. This process can be a full-blooded did -- implemented that gives us to look purple bubble the trial baseline cost Stephen?

>> Step is we need to add in screen large bubble here. "-right-double-quote they have dedicated state funding. Our security, jury reimbursement interpreters, maybe 1058, these are things that the Judicial Council has other allocations for. That you have years and we are not contemplating changing those. We acknowledge why those existing they need to be edited as far as the state wide costs. That gets us to the red box. For each local court however [Indiscernible] if you're trying to identify the total cost of takes to take to run the state court system we want to address that. That it should to the next level are. Labeled trial, total travel baseline cost. Essentially a here we would end there but for future years we have step by Bush as an the purple bubble there one-time costs and PCBs. There may be circumstances, one-time costs, technology, infrastructure. We need a process to address those going forward.

>> This gives you to the yellow, budget a particular year. Next slide. Then we get to what we would ask the state. If you have your chart in front of you will see a reddish box, the trial baseline cost was not the last bubble, back a few steps. We don't want to include local revenue. Take those baseline cost and add to them one time budget change proposals and then it would look like, here is what we need for a given year to sufficiently run the trial courts in the state from state funds.

>> That get you to our gray box. Any questions? for me on this bubble methodology?

>> I have one. When you talk about the unique circumstances, Jerry Jackson from San Francisco, it will not be implemented for 13 and 14, is that correct? But sometime in the future?

>> Rack. Because of his ailing the process there isn't time for courts to prepare, what does look like I what you need to submit, would you submitted to Congress need time to prepare those documents and the justification and just being realistic, we are in April, to turn those around in two months is not feasible.

>> Then back to unique factors, when would that be proposed when a court for instance, has complex litigation and that is not included or you are looking at probably spend not actual, how many of those filings are going to trial and say a court has a situation where 80% of the filings are going to trial in the criminal division. Would that be a unique factor and one could that be present to?

>> Complex cases are included now, complex civil cases are a separate workload sure. However your point about, if the court has, if a court has a higher percentage of cases going to trial, the short answer there is no how the model doesn't include that. One of the items that is in the parking lot later. Can we folded? Other measures besides filing?

>> That may be performed [Indiscernible] some metrics of some kind of look at those types of things that wasn't specific contemplated on part of that I'm going of that unique factor. Relation. I don't need to look globally on how we address other items. How beautiful that into this model?

>> I do think it could be a unique factor if there was a district attorney with a policy on how to handle cases. It could fit into the unique factors but we have a vision that jointly with the Judicial Council on the trial budget working group, that would be the group that would establish what form you would need to fill out, criteria, kind of like the cross issues for the 2% funding.

>> Thank you.

>> Next we will talk a little bit about what our specific recommendation is in terms of adoption and implementation of the model. I will tell you that quite frankly we would have loved to have been able to come to and say beginning in fiscal year it 2015 we think the model should be implemented at that time. But we honestly believe that we don't have the time to wait. We have to do something in fiscal year 13 and 14 and this is a precursor I believe to seeing any further reinvestment in the trial courts. to make sure the other branches of government and the public understand our budget develop process and understand where the money that the branch gets is

going. So we do recommend a phase and approach and as you have heard we have not had the time to fully fine-tune that unique factor process. I fully expect that will be developed and ready for use in fiscal 14 and 50 but it needs to be ready by August. Or sooner as the budget development procedures begin.

>> And walking through recommendations, first recommendation that would bring you is to approve the workload based allocation and funding of the Belgian for use in allocating the annual trial funds consisted with the implementation schedule I will walk you through. But also the understanding of the ongoing technical adjustments to the methodology will continue to be evaluated by the trial budget advisory committee and those adjustments will be submitted to the Judicial Council for approval.

>> For example, I think we are all in agreement but we have not put pen to paper that the process should be that you make that request, submit that request to the trial court advisory committee who then makes an recommendation to approve or not approved to the Judicial Council. We would come back to the Council when we have established that process. The second recommendation that we bring is to direct the trial, beginning with the April Council meeting. In the first year, first we adjust the 206 million dollars and out allocated rejections that she courts Muslims are. That recommendation is that continues to be allocated under current methodology. The reason for that is it is a reduction we have all know about since January and courts have plan to prepare their budget plans around these numbers.

>> Rear benefit you can see on appendix F of our report, the beginning page 833 is a computation of the estimated \$260 million reduction. These are the reductions of each of the trial courts will be receiving an light of this \$261 million and we recommend it be allocated under current historical model. Without recommend a phased-in approach to the new methodology beginning and 2013 and 2014 we recommend that a 10% of the trial court allocation be allocated pursuant to the methodology and 90% -- in the course of our deliberation on the course of our meetings in the course of our discussions this was by far the most boisterous discussion about how and when we should implement the model. Quite frankly we did consider exactly what George Warner has brought before you today. Should we immediately turned to the funding methodology and Amanda -- abandon methodology. There are dangers doing that. Transitional not completely close the gap. We need no money to do that. But it is a step towards that.

>> What is the average statewide funding there are courts funded above the average and courts funded below the average. Our intent is not to bring everyone down below the average door was our intent to look those on top of those on the bottom. Quite candidly if we were to implement this new model 100% on July 1, we would simply flip the position of some courts who are underfunded with those courts who are woefully underfunded. We were to implement the model immediately when you consider the \$261 million reduction we have to observe you would have counties like Alameda that would phase a reduction in budget of \$21 million, orange county \$41 million, San Diego \$39 million, that is the danger of saying we are going to proceed by allocating completely under our new model. The risk is that you take those cars and ship positions. We are shifting money. We are robbing Peter to pay Paul. Really the five-year implementation schedule is to allow us to glide into parity.

>> We also had a boisterous discussion as to whether we should and that 50% allocation are taken to 100%. We believe that we should not take it to 100% because again you have the same result. Courts would be shifting positions with each other if there were no new money introduced. We would be coming you today saying we need to do something to save Orange County who is now woefully underfunded here we recognize that this does not close the gap immediately and there are concerns about the pace of the implementation schedule.

>> But we believe that the limitation schedule is necessary to do two things. Not just in the two years but the whole five years. If we were not to layout and implementation schedule, courts would have a sufficient opportunity to plan for future fiscal years. So although we recommend a 1090 split in your one if we were just out there, courts would have no opportunity to plan. But the bigger danger of not going forward with a five-year schedule is we send a message to the executive and legislative branch that we are not recommended beyond the first fiscal here.

>> What we say, the first year we recommend 10 and 90, after that let us figure it out. After that our credibility is subject to attack when we ran the data that is encompassed in the spreadsheet that you have, I want to save a caveat is the numbers are not final on those spreadsheets as we are still fine-tuning that cost of labor application or the use of that index against salaries and average salaries. We still need to fine-tune that before the numbers are final and we will bring that back to when we have done that with final allocations in July.

>> We also recognize when we ran the numbers that there is an anomaly that impacts response courts and our County. The two judge, cluster 1 quart, ICU and that's what I think, you are a cluster one judge. Out of those small chorus would receive a reduction of the allocation and we knew that was not right. the amount of money that is involved is about \$450,000. the best thing to do is to keep them out of the model and we committed to ourselves and the small cars that we will immediately begin focusing on how the application impacts, the methodology impacts that smaller court we will invite them to participate as we delve into how the application affects smaller cards and when we have reached what consensus to apply to the small court and we will come back before you and request they be in line did but not until we figure that out.

>> And future fiscal years you will see that we slowly implement the model over, phase and approach until we get the fiscal year 2017, we also took into account the hope and possibility that we see reinvestment in the judicial branch and how we allocate money that comes in as no money. Our recommendation is that any new money that is appropriated for general trial court be allocated under the new workloads model.

>> For every dollar that we received of new money we also recommend that we dip into what we call old money and rather than reallocate that under the split that we laid before you, we match and allocate that 100% of the new model. I have a spreadsheet that demonstrates that. We get \$100 million in reinvestment, we would allocate that under the new workloads model but we would take \$100 billion of old money and allocate that under the new model as well. We quickly get away from the historical methodology with the infusion of new money.

>> Is that the end of my slides? Okay. I invite my colleagues to, on our recommendation included the implementation schedule of you would like to before we move on.

>> All right. Did you want me to go to parking lots afterwards? Thank you Chief Justice, members of the Council, I am Brian Walsh, I am honored to be part of the subcommittee working with Judge Earl and others at this table and throughout the branch on this new funding methodology. I can tell you that the work of the subcommittee was rural, it was fair, hard work, but we were ably led by Judge Earl who brought us through these difficult issues by consensus in an incredibly short time schedule. Nobody believed we could have a model ready for the fiscal year 2015 and 2014. In March, we thought that is not the target, no it is 2013 and 2014. It is a great credit to Judge Earl into our group that we achieve that.

>> It was a great group everyone represented the court and represented the branch and put the interests of the individual cards aside. Yes, yes, we had to hurry. So what would bring before you is not perfect but it is better than good. It is in fact the best. If you a.this, the state of California will have the best, the most thorough, the most specific trial court funding allocation model in the United States.

>> We have talked to the Center for courts at length, we have experts on our group, this is the best out there if you adopted be equals MC squared of trial court allocation. It is a work in progress. Because of the short deadline many issues were moved to the parking lot which I will discuss in a moment. We have committed this, if you adopt this we can turn to our phase two issues. I would like to address two issues that have come out. One in the media I've read reports of wealthy courts, that this is a Robin Hood method we are taking from the rich courts to bring to poor courts. No way.

>> We are a subcommittee that has been studying trial court legends, the 58 courts for the last five months. We can assure you there are no rich courts. There are underfunded like Santa Clara and Orange County and woefully underfunded like Riverside and San Bernardino and then some in between like Sacramento or Los Angeles. I think not of Robin Hood but a black-and-white movie from the Great Depression. Two people out of luck and one slightly better off than the other and reaches into his pocket and gives a quarter to the guy who is really hurting. He is not my -- he is not heavy he is my brother. We have to run our own course but we have to reach out and help. This leads to the other issue, I do not like this. I do not like a process that gives us two months notice that we will be out of \$2 million.

>> Some courts are woefully underfunded and have gone through this and have only gotten a net gain of only \$2 million. We have been told by the Legislature [Indiscernible] they set the amount of money and yes they do. When I don't like to do is when our branch is woefully underfunded generally, that we are expected to just move money around and solid.

>> If we are underfunded we need more money. Therefore it is the branch that needs to step forward and if they do as Judge Earl explained we have created a process whereby any reimbursement is supercharged -- when we finish this process and get in on time in the little March I can assure you if I go to my consensus during those difficult meetings Judge Earl described, we have reached an agreement, there were no high-fives, no smiles. Everybody felt they got hurt.

>> But as you know, as judges, if everyone in the courtroom is upset with the decision we probably got it right. We spread the pain appropriately and at a speed which could be absorbed. We made a tough decision but a good decision and we highly recommend it to you as you make the tough decisions about branch funding. Thank you.

>> Hello, Tom Boris of Orange County. When I first joined this working group I never imagined that every time under the formulas that we worked on and ultimately this one that was decided in orange County would receive less of an allocation almost under every formula. I want to say that it is time that we as a branch, we have to lower the drawbridges, fill in the moats that we put in our counties and we have to start thinking of moving on from something we have done since 1994 with the bonding process and if it helps the judicial branch, Orange County believes in this formula, I agree with this County there is a lot that needs to be worked on and tweaked. But it is sound, it is fundamental, it is transparent and indispensable to other branches of among ourselves. I would urge the Judicial Council hereto also support this allocation and revenue funding.

>> I don't want to be premature in my questioning. I have seen this presentation about six or seven times. One cannot help to be impressed at the amount of work that has gone into it and the value of it. We all appreciate that. One question that comes to mind perhaps of Judge Earl. The proposal anticipates that we would run this out over five years at which point we would be 50% workload allocation, 50% pro rata. Does that suggest in years six, seven and eight it would remain at 5050 and if that is the case why would we not want to work towards a fully implemented workload based allocation?

>> I will defer to Jake.

>> Great question. The reason for that is again what is on the screen now. Part C and D. While we are saying within this model we can get to 5050. We can't take it all the way without new money. We start to reduce the amount of money that is left in that historic place. 5050, is one . \$4 billion, as new money comes into the branch that money decreases. That one . 4 billion, so forth, the amount of money that is reallocating is very small.

>> I understand that, I think that is a strong. and I have to say that I have heard Mister chapters explain these things and once again it is very impressive visibility with statistics are quite remarkable. But I have trouble understanding why, whether we have, the amount of money we have now, we have more money or haven't perverted we have less money. Why that money cannot eventually be allocated on the trial court workload measure.

>> I think the danger, Justice, is that if we don't receive new money over the next five years we have the scenario that I have described which we are really shifting money from the underfunded courts to the severely underfunded courts. Thereby they would be switching places with each other and we would be before you again and five years and, well, we tried but the Cubs we went on hundred% on the model we have different courts that are below the average. It contemplates the fear that if there is not new money that we would be harming ourselves in the long run.

>> Allan Carlson.

>> The other way to look at this is that is too narrow of you that is what is going on here that is staying on. This has made it clear we need to look wider. Five years from now is an eternity in budget terms. I have no worry, I don't think it is important, personally to say we will be at 5050 and five years. Most of us will be open anyway.

>> So it doesn't make any difference. I think we need to focus on the next couple of years and focus on getting more money to assist on how we beat each other up five years from now.

>> Frankly, I think if we were to say we will take care of this on our own there is not much incentive for the other branches to give us additional money if they see we can handle the problems ourselves. That means adding to the disparity.

>> I will show an example of that that will help adjust that. The reason why getting there, getting to the hundred% without new money. You will see a chart there, that might help.

>> So we have two other slides that walk through the allocation process and then Judge Walsh will talk about those issues that we identified that need to be considered and the model that we have not unable to finalize and that will be our next phase of the work we do.

>> Okay. So, we have the budget at complete and we know how much we received overall and that is your first public hearing. Before the allocation decision is to be made are operating costs for the workload model there are again statewide expenses that are paid for at state level. Again, for security, court appointed counsel has its own allocation process. We need to take those out because they have a separate allocation methodology. We subtract out the cost associated with the subordinate judicial officers and then we have, the state trial operation allocation. That is the amount of money we have for our court operational costs.

>> What our recommendation is that allocation works, this is a picture version, we take that number and multiply by 90% and multiply that by the historical court funding. For example provide court it is 12 . 77% or 8% of the state child support costs. We times that by 10% times what our share of the new workload of the base funding model which is like . 6%. Higher percentage. Add back our cause.

>> That would give you what the council approves for our topline spending allocation. Then we need to report and publish what are total budget is. On our schedule one, the public document we would add and what are portion of the statewide costs are. What are estimated jury costs are etc. At into that what our local programs, funded by local revenue. Then we would publish of the local court level to make sure there is visibility into our total expenses.

>> Can we share Alexander?

>> I have a question on the officers. Is that based on the number they should have eventually of the number that they still have.

>> Based on their current number of authorized, it would still be in that STO number. Once it was converted they were,.

>> Before I turn it over my portion, I do want to put a thank you out there. This work has been rewarding, exciting, difficult at times but we have received excellent support from staff, fiscal with Stephen Chang, Jody and her staff at the trial court liaison office. [Indiscernible] Christian really have it all very supportive. There were days that we would say it is Friday, we need this updated by Monday. Very complicated spreadsheets with a lot of numbers may spend a lot of hours responding to our request. Thank you to them, we could not gotten through this detailed work without the help.

>> Next, I am going to take a few moments to address what we are calling the parking lot. We know this is not perfect and we did not have time to adjust everything. We have currently over 20 and every meeting we go to people have suggestions, we write them down. Some of these are, only a CEO would love them, considered if leaders, separate from program 10 sellers. That probably does not keep you awake at night but some are more important or basic such as, should filings be the sole basis for determining workload?

>> So we have group these into five categories. The first is reevaluation of the effective future changes in the judicial branch budget on this allocation method for instance, what is the one year there is new money in the next year there is a cut are we back to the old one or do you still stay at the same level of the allocation method. Or, the last point on that page, what if there is no money but it is one time money or dedicated to a certain use? We will work out how that fits.

>> Next category is improvement and validation of the data to improve workload. The first bullet point is to determine the accuracy of the data such as case complexity, also access to justice standards and best practices.

>> We know just as rupees group when they wrote into the funding group stated, yes, we want allocation method that ensures equal access but defined it different than equal money for equal file.

>> to what extent should outcomes be evaluated in this. Perhaps numbers of trials. the third item is, or grouping is the reevaluation of salaries and benefits. The first one on there is we do commit to reevaluating the effect on cluster one course and we will do that I communicating with the cluster one course directly. We had a representative of the cluster one court on our subcommittee but we will reach out and determine why did the model, all skewed.

>> I want to be clear, we are in this role to come up with an allocation method not to set policy. We know that perhaps the economy does not work real well and a cluster one, to judge court. But the state has made a commitment to have 50 acorns, two judges each. The courthouses a symbol of what we stand for as this date, the rule of law is an important matter in a community. We are not here to recommend, two smash them together to make the more efficient.

>> We will just figure out how to best adapt the work load allocation to those cars and work also with them to do it. the fourth grouping, before I get to that, in that phase, part of the grouping we

will also evaluate the salary component. There has been a lot of worry whether the BeOS factors are the appropriate way to go. We will study it thoroughly. the BLS factor in terms of the total Delta in our first year, losing course in gaining course, the BLS factor only affects 10%. Since it is a 10% allocation, simply 1 penny out of each bun the dollar affected by any tweaking of the BLS factors. It matters but not skewing the whole result. We will get to it and get it right.

>> Next grouping is an evaluation of outside factors on expenses related to operations such as how to consider technology funding. Where does that fit? How does that fit? Is that part of that space are outside of that? Also extra staffing for multiple locations. How should that be wait and. Then the fifth general grouping is the evaluation of the impacts of outside factors on funding unrelated to court operations. For instance, you have a courthouse and you as a court are committed to paying money on it. Should that come out of this allocation or no, it isn't workload? We have not dealt with that.

>> Working out a unique protocol. Our hope is by working hard on these items we will reduce the amount of unique factors. We don't want a situation where court say I unique, I am unique in order to address these properly, we will have less demand. They will be addressed in feature versions. I will be happy to answer any questions.

>> Walk you through the spreadsheets? To have those?

>> I am Sherri Carter, I am from Riverside County. I think you have your handouts. As you know Riverside is a woefully underfunded court. As we walked through the spreadsheet so you can see how these changes impact, I will use my County as example as well as orange county and underfunded court. Before I go into the spreadsheets I want to remind you that they are being used to demonstrate the concepts, the dollar amounts will change as we refine the cost of labor as new data becomes available these numbers will change. Please don't look at the numbers as being gospel.

>> The first handout is on page 833. This chart reflects the amount of each court will contribute to the \$261 million ongoing reduction in 2013 and 2014 based on the court's current program to ensure on the current allocation. Again we feel that it is important to use the pro rata share because [Indiscernible] using Riverside as the first example if you look at all eight ages the last column on that page our share of that is 10 . \$5 million. That is how much will be reduced for us to contribute to that \$261 million ongoing reduction. Wars County is 21 . \$7 million. They are hard to see so you will have to trust me.

>> I haven't large my chart, I can read them. If you turn to page letter a 34. The purpose of this chart is to reflect the allocation estimated for each court based on the pro rata method including the \$261 million ongoing reduction. This is the current pro rata share. If you go to column 11 after the adjustment, if we continued with the pro rata share of Riverside County. We get about 57 . \$2 million and orange county would get about 122 . \$3 million. I will refer you back to these numbers in other charts. Remember that this is the pro rata share under the existing formula.

>> The next chart is actually quite complicated because it incorporates a lot of different thoughts throughout the chart so I will refer you to a couple of columns. The first one is, it starts on page

eight 35. the first collimation referred to is calm see. This is the estimated FTE needs based on -- if you look at Riverside County it shows that we should have 1032 FTEs or the money for that. Remember you can't really tie the number of employees to this number. What it does it becomes a lump sum and each County determines how to best meet those duties. I can give you a good example of you are interested. But I think we have already got to that process. for and should is - - the next important column is the estimated need for salary based on RAS. the actual averaged Sally in each County as reported by the court in their mandatory schedule labor report.

>> That is -- important to understand because this is how the courts indicate that they are currently paying. We did not use an average salary for the state, it is the average salary within each county. That is calm age. That converts the FTD -- FTE to a dollar amount and for orange it would be 102 . \$5 million. the next important column is column J. That is the estimated cost of labor after the cost of labor adjustment has been put in place and again these are just to demonstrate the methodology. These numbers will not be exact.

>> For Riverside because according to this job model, Riverside is 9% below, that would increase my salary amount and in Orange County because based on this job again there is 6% about. It would reduce their salaries. That is how the cost of labor adjustment would work in theory. If you now turn to page two, the following page. We will talk about benefits -- a 36. Chart, this would be calm bowl -- letter old. That applies because the benefits after adjustments for the salary German benefits like retirement and using the actual nonsalary driven benefits as reported by the individual counties on their mandatory schedule 78.

>> The next column P is for operating expenses and equipment per FTE based on actual spending as Jake indicated a subcommittee of the subcommittee went through every single line item for the courts to decide what should be included, what should be excluded and this is based on actual. As Jake also indicated you can see at the bottom of the chart the amount paid per FTE for the 15 cluster one courts, almost 28 -- it is closer to 20,000 per FTE because of those six cards we have identified.

>> The next important column that you will see is column R which reflects the estimated funding needs for salaries, benefits and all ENT as a total. If you look at Riverside it would be 129 . five million. For orange county it would be 172 . 3 million and then the next column S creates a new percentage for each County of the total from are. Remember Jake said his percentage change under the new model? Riverside and Orange, you can see that when you compare our and as two the next two columns T and you. I told you to remember the numbers from the first spreadsheet. If you look at T for Riverside you will see that the seven . 3 million, that is under the current pro rata model was my current percentage next of that. So back over to our and you will see if we were fully funded under the new model we would go to 129 . 5 million. Orange County would go from 122 . 3 million to 172 . 3 million and their percentage football were recited would increase.

>> If you now turn the page you will see that some of those columns have been carried over for easy reference. The first column, again, is the total estimated need for staff, benefits and all ENT. The next column is pro rata share. the next column is the new allocation methodology implemented at 100%.

>> Again, I would like to refer you to Riverside and Orange counties. This means that under the pro rata share which is T, Riverside would jump from 57 . 3 million to \$76 million. Orange would go from 122 . 3 billion to \$101 million. Under 100% of the new model. That is why we unanimously felt that we need to have a phased-in approach because even as a woefully underfunded County, I believe that is too drastic to do.

>> Our recommended approaches the next five columns that will reflect how the new funding methodology will impact each County. Again, the numbers are to be relied on 100% but if you follow Riverside, you compare T which is our current pro rata share to W which is the 1090 approach for next year, we will jump on 57 . 3 million to 50 . 1 million and Orange will go from 122 . 3 million to 120 . 1 million. Then you can follow on to the next slide here. How the phased-in approach would work.

>> The next spreadsheet actually does the math for you. It makes it a little easier to follow because it summarizes impact on each County by just looking really at the last calm. Again these are draft numbers but if you look at Riverside you would get about one . \$8 million and Orange County would lose about two . \$1 million. What is important at this point for me is to have you go back to the first chart that we covered. The reason I say that, that is on a 33. We are just reallocating existing money and I think that is an important part because the one . 8 million to Riverside just means that the amount of my contribution to the \$261 million goes down slightly and it means to Orange that they are almost \$22 million contribution to the \$261 million discuss increased by two more million. We are just reallocating the money.

>> Existing money. I think that is an important because it is not going to be the full solution. the last chart is my favorite chart because this shows the effect of a theoretical \$100 million new money and how that theoretically would be spread. The bottom line to the chart is really the second two the last calm. I would be happy to walk you through, but you have already heard how it works, we would get \$100 million of new money. We would take \$100 million in existing money. We reallocate \$200 billion in the new formula and the result of the impact would be second to last column. If you look at Riverside we would get six . \$4 million and Orange county would get five . -- \$5 billion. That's how that would work.

>> If you have specific questions I would be happy to answer. But I think I have pointed out the ones that are most important.

>> I want to make a.that maybe is misunderstood. Historical allocation formula cuts both ways. When we are going up getting new money if you are underfunded you don't get a percentage as much. But when you go the other direction and cut money like we have been doing for several years, the courts that are historically underfunded are actually advantage by use of the historical funding. Art, and Orange County would be cut almost \$2 million in San Joaquin, we use the old numbers because our -- because have actually helped the lesser funded courts over the last several years. It has not helped anyone very much but it is not as bad as it is made to sound.

>> It sounds bad.

>> Judge Rosenberg.

>> I don't know Judge Earl, are you finished with your presentation? I want to make a quick comment.

>> That those conclude our presentation. Job Jacobson, Judge Jackson, remember your order, then Justice Mellon. I can remember where I am in that order. Three quick observations. Number one when we look back at that 1997 historical model when the courts went from a county funded system to 58 counties to a state-funded system, it essentially never changed in those years. a little tweak here and there for a year or two but it never changed.

>> It did not change in 1997 because it was politically too difficult to do that. They accomplished a lot and 97 with the trial funding at but that is one thing they could not accomplish. Here we are, a lot of years later and I think we are accomplishing at least the start of the change. Number two, your new model essentially is based on workload. That is the bottom line, the core of the new model. As I have looked at this across the country this seems to be the poorest basis for, this seems like what the other jurisdictions are looking at and doing. Recommend you for doing a work load model. Finally, I would just say the concept as you call it, Judge Earl is a, mice.

>> In my view it is [Indiscernible] there is no perfect solution to fixing this overnight. So, a light path is necessary. I just really want to commend Judge Earl and all the members of this working group are rolling up their sleeves and really getting down into the mud of this issue and coming up with a much better formula. the old saying is, perfect, perfect is the enemy of the good. This is good. I appreciate the so-called parking lot issues were you will continue to tweak as you learn more.

>> Go ahead Judge Scholes.

>> Judge Walsh, Sherri, J, under the able leadership of Judge Earl you are to be congratulated. This is a lot of work, it has been very difficult. What you have done for the branch really is monumental and I hope you all realize that. Additionally I would like to congratulate Jody, in particular I want to embarrass Dave, David, I want you to stand up. I want everyone to know who you are. Because date for five years has been working on this. Now everybody knows why the California judicial branch will allocate money the best way possible.

>> Thank you. Judge Herman you will be after judge house worth.

>> On the five-year, I'm trying to figure out the in the relationship between the work, the SP 360 group and -- if there is an ongoing work load look and it changes during the next five years is there an anticipation of how that interplays with this.

>> The numbers that are AAS is on, calm see on 835 will be adjusted every year. So those numbers will adjust every are which is a good thing because of that -- that there is a spike curveball it will even out.

>> I know these are draft numbers. So that new number would go into the formula and then the 10 or 20, or 30% would be allocated?

>> Exactly.

>> I am not trying to jump ahead of anyone. As you can imagine, I have a motion. There are other elements that will change our workload. That came about as a new workload for us after data collection. Now you will see that as a separate allocation. That we will update and incorporate some of the new workloads and that will change and will not sit statement -- statement.

>> Judgment came, after Judge Herman.

>> G, I have a question and a comment. I would like to start with the question. I pray this does not come to pass. Suppose the Governor and the Department of finance in their wisdom, thus further. Does your model respond to lower baseline funding than what we have now? Suppose instead of giving us \$100 billion they take another \$100 million. How does the model respond to that?

>> The answer is it does not. It does not.

>> The legislator said to us, unless you come up with a new allocation method we will not give you new funding. We have come up with a new allocation method. The best allocation method in the country. Don't even think about going the other way. There is no plan for it. All bets are off. This is aimed at her and putting or new funding.

>> Thank you very much.

>> I am from Alameda County, we are one of the donor records and on behalf of by court I need to express a general feeling of nervousness about the unique factor analysis that is currently in the parking lot and how that will play out and two what degree that analysis ultimately from year to year will be subjected depending on the makeup of the workgroup.

>> I have to say personally that I am deeply impressed by the fact of the number of members for us today and this work group are from our coats and putting their own personal needs aside for the good of the branch and I personally have great faith in the people that will be carrying out these duties in the future. The second. I wish to make, to echo what several of the speakers have said, is that we are all hurting. It seems to me that we are all so to speak at the top first liner will the Lord. My court is eight donor court and it over the few years we have had two rounds of layoffs. We have laid off 100 people. Not just through attrition, our staff is down 30%. We have reduced hours. We are struggling to do basic things.

>> Such as getting restraining orders, permanent or temporary issue. We struggle to get those on time. We do not have staff or overtime. When I think about other donor courts, Fresno's. That is a donor court, Judge Hardcastle gives an eloquent description of the situation and salmon seasonal County. That is a donor court.

>> I understand that donor courts are hurting but not as bad as receiving courts. I feared were a state where all of our coats -- courts [Indiscernible] reallocation to apply to new funding. I recognize that the method here answers that question in a very persuasive way in my mind and so my ultimate, is I am strongly in favor of adopting this model because it moves us towards that equitable funding which we have a responsibility as a branch to take care of all 58 courts.

>> I beseech thee Governor, the Legislature and the Department of Finance to restore funding. That is my comment.

>> Thank you Judge Jacobson. Judge Jackson?

>> I want to thank this group but they also responded to questions, went through and I really do appreciate it and I am sure that if I have further questions you will take my call. But more importantly I appreciate to the fact that I was concerned about the BLS and if those numbers, for that matter all of the numbers that are being used in the methodology that you are continuing to look at that. In fact we will have a report back, Judge Earl in July. I really appreciate that.

>> I do not look at us as donors or recipient court, I look at us as we are all one and we are here to help each other. That is why I very much appreciate the methodology. I support the methodology and the hard work you have done and the continued work you will be doing.

>> Thank you Judge Jackson judge also work.

>> I want to specifically thank Judge Earl for the phenomenal work she has done. I think she deserves a round of applause. Her group has done something extraordinary and when this is done we will see something yet again in this Judicial Council room as the stork to the branch. We were given a charge that said either do something or we will do it for you. We decided not to let it be done for us and we stood up as the third branch of government and took on this challenge not only did we take on this challenge, we took it on with the best and the brightest that you have convened together the individuals that shared this group that you chaired including staff and CEOs and judges up and down the state are nothing short of phenomenal.

>> I know for a back that was on their time and their time so to speak they met on the phone compliment and person, they wrestled, they rolled up their sleeve, they did everything that we asked of them and more. They did it on their own. I have to tell you and I said at individually and I will say it again, Judge Walsh, judge Boris, they are heroes in my estimation. They stood up and said in a room full of individuals who we are going to get hit and we have to give up certain things. But we are willing to do that because we are in the third branch of government. Until we establish or reestablish ourselves out and confirm that, by saying that we will give you that we will work this out. It just wasn't going to occur. To think and some white that this report of this recommendation is not before us and we just assemble along and rubberstamp things is really a statement of the highest order of ridiculous.

>> They have worked on this. They have benefited individually, I was at that trial court working group and that was no picnic. Quite frankly. the way the conversation went was a debate, a

strong debate, a wrestling and of the M2 think that the judges in that group representative small courts, large court, medium courts, courts that will be giving out of their pockets. I love the analogy of all those in the soup kitchen line and someone is sharing a corridor that they really don't have. At the end they voted unanimously.

>> I never thought we would get there. I did not think that certain judges and I would vote the same way as I looked across the room. But under the leadership of Judge Earl and this able committee we come now and I know you called shotgun so I will differ to you. But if I were making a motion, which I won't because you have done that, I would embrace this recommendation and its fullest presentation and I think there are two critical things cheap that I would urge this Judicial Council to do.

>> One being we have to have the same leaders work on the same group to help take us through the next waves. If we were to disband the subcommittee as convened by Judge Earl and possibly the trial court working group that is now an advisory group and infused it solely with new folks, we might be starting all over again. I do not want to lose that traction.

>> The other thing, I would urge that motion to embrace the entire five-year plan. The entire plan, I think Judge Earl said when she said, we have to show a sincere betting, we have to be a strong voice. We are invested in this. We have a process we created and we have said you asked us to do this because if we don't, you were going to intervene. Quit intervening and start putting back the money now. Those are my comments and my illusions to what I would do if I were just as Miller.

>> We will hear from Judge Herman, Judge McCabe, and Mary Beth Todd.

>> I am not sure Laurie Earl sleeps. I am on committees with Sherri Carter and Jake Chatters. I don't know when you sleep, I don't know when Judge Boris and Judge walls sleep. I just want to acknowledge marvelous images from Judge Walsh, he is not that heavy he is my brother. Judge Boris about the need to pull up our drawbridges and fill in our moats and realize that there are big issues of their that I am amazed that we can sit around and come to a conclusion and an agreement that probably could not have been forced upon us. Locally we avoided it from one of the other branches.

>> I am unbelievably grateful to you. Thank you.

>> It has been a distinct honor to work on this committee, this truly is a collection of some very unique talented energetic individuals and it is my pleasure to be sitting in the same room with these folks trying to contribute when you have so much talent in there. I think a second thanks goes to a LC staff. They have really gone above and beyond and we have pushed them very hard and they have produced. At times it reminds me of the 1970's Oakland A's baseball team were each other internally, but external and we have the base of professionalism and, Rotterdam get the job done. They were champions and I think this group are champions. I am really proud of them and the OAC staff has done a great job.

>> Another shout of which has not then stated fully is we really owe a thanks to the working group and its chair Judge Oxley. They have the five-year model that allows us to come up to speed so fast. About a, quite frankly it would not have been possible. So it is invaluable data which will be billed on because of a be 109 etc. It was critically important. I'm very important than that people and mindful that we stand on their shoulders in such a short time. Thank you. Judge Oxley and that group. the state wide methodology infects trial courts individually.

>> It creates relative parity. Something that I think was intended by the 1997 trial court act. the methodology that we have here, not only looks at individual trial courts and what it views as needed for them to operate, but collectively what it would take. When we did this analysis it was one . 4 billion for the trial courts is what we are currently under. We need another two . 4 billion for them to work fosters, about \$700 billion and reimbursable specs of the total is three . one. But the funding, the \$1 billion is apparent when you look to the numbers. If you like numbers or you don't. As you go through each of these it is painfully clear that there is a problem for each and every court to properly operate as intended.

>> Now, Governor's Office and Legislature are probably listening, I hope I am politically adept. I am being diplomatic, I note that it is all about priorities. A budget is a statement of priorities. A penny on the dollar isn't cutting it and I understand we are doing our part. However, three branches of government, three branches are so essential to the orderly operation of society, they cannot be ignored. That is the first place you start.

>> When you are on an airplane and the stewardess tells you in the event that there is loss of air, put the oxygen mask on yourself. Not the child or the other person first. Why? Because it is essential that you have the oxygen first before you can help others. This is a cry out to the Legislature and the Governor. We have heard and taken your warnings. We hopefully believe that the methodology that we are presenting to you meets your expectations.

>> So, you have nudged us where you -- where we probably didn't want to go but we went there and we are proud of this product and we are hopeful that now that we have done this that the Governor's Office will begin to reinvest on the third branch, its sister branch of government. I mean no offense by that. I hope it is not intended as offensive.

>> There is underfunded and severely underfunded courts. Under this methodology the severely underfunded will receive a benefit and the issue then ships to, from the by ability of the budget methodology to the implementation time. That really seems to be a focus right now.

>> That was contentious. That is an understatement. We are all mindful of this. However, we are, as we sat in the room and it was dawning on us with the effects would be and how this would affect us individually we came to the collective that our Honorable Renfro Almeta, Judge Jacobson noted, this is a statewide approach and we cannot look at this as anyone court. Ben Franklin said we must hang together or else we shall most assuredly hang separately.

>> We are in this together folks. We have to act as a unit, divisiveness has been damaging to this industry. I think this is a model that will help us together even though it is going to hurt some. My friends on the committee from Orange County, Santa Clara, Sacramento County and these

other counties that are going to be hurt by this, I tip my hat to you. Because it is not about you, it is about the state.

>> The branch. to me, I think that is the appropriate focus. So as heartfelt as I can tell you, I am urging you to adopt this. I will note that the timing of this is not unique. The phase in and I think I shared this at the regional meetings. The education system, and the early 2000, 2001, the fairness in education funding act, some familiar? They went to the same growth pains, same struggle that we are dealing with now and what did they do? Did what others did. They sit in.

>> They did it over a seven-year period. I think we all recognize the damage that can be done by 100% implementation. That document in San Joaquin County, a number of us in San Joaquin value is under that severely underfunded boat. I feel your pain. On the other hand, I think a prudent way, unified way is to do this on a global view and that view is we need to take this a step at a time. With that I would urge you to adapt -- adopt each recommendation. Thank you cheap.

>> Thank you cheap. I of course join in the congratulatory comments and the other comments made by my colleagues on the council and I don't want to necessarily go back to the unthinkable. But, following up on the answer to Judge Jacobson's question regarding, as I say, you hate to even use the word for the cots and recognizing in myself that I have learned just enough about this process to be dangerous. I don't understand conceptually, simply conceptually quite as funding methodology would not be equally applicable to less money coming into the branch.

>> The reason I say that is Judge Walsh is answer was entirely correct and I suspect that we probably would have to go back to the drawing board, so to speak at that point. But I did not want to leave any suggestion because none of us are making the suggestion that if there are further cuts that we are going to scrap this valiant effort and just go back to business as usual. I don't think that is anyone's intention. I will leave it at that.

>> Mary Todd?

>> Thank you, Chief. I want to thank the working group, I was a invited guest to sit on the committee, the funding methodology working group meetings and I started saying I was an observer but I did not just observe for very long. I want to thank you for giving me the opportunity to participate and provide some input. I totally support the methodology and certainly recognize and appreciate all of the diverse opinion and positions that went into the process and ended with the methodology that is presented today. I want to take the opportunity, though two emphasize a few things.

>> Certainly over the last several weeks I have been approached by different courts, different colleagues who have expressed concerns, expressed support, both and I just wanted to know a few different items that we have had discussions on and two emphasize my knowledge that these, that this is not a finished product. This is a work in progress. the parking lot is not the parking lot we are used to seeing when we go to different conferences and it sits there and once we leave the conference a goes away. I know it is a working document that the working group will be taking forward and continue to evolve the methodology.

>> The few things I want to talk about were the fact that, I think Judge McCabe just alluded to, when you looked at how much funding we need and how much money there is to allocate we were right around the 69% to 70% market I don't know that included the \$261 million reduction. That means if we totally level the playing field we would all be at 70% funding. That would be intolerable. There are courts that are below 50%. That is intolerable.

>> I kind of liken it to the prisoners in the yard and they all band together to at least some get over the wall. We won't all get over the wall. But as long as some of those get over on the other side it will only help to get the rest of us over on a later date. If we were to level the playing field immediately, those courts would have been able to hang onto resources and do some innovative projects and continue to at least move forward the concept of access to justice, efficiency, we want to hang onto those things as long as we can.

>> Hopefully what will happen is that we won't have to start them bear, we won't have to ask a question or grapple with that, what do we do if there is no new money and there are more costs? That is the only way we will continue to move this branch forward and address the many issues that are previous presentation for the funding of state wide group and their recommendations to ensure that we move forward with the methodology that will improve justice. I think this does improve this, the five-year plan helps us do that without sacrificing all of the animation that we need to be able to move all of those programs forward so when we do restore some funding we can all benefit for those who have gone before us.

>> And started implement the proven technologies and the proven concepts that the courts are able to do. with respect to the \$261 million reduction I just want to emphasize in addition to that, the reason that we all plan for that. I don't want to, or just want to clarify, I don't think the concept is, we plan for that we will take our heads. There are courts out there that have plan for it. But it is catastrophic those reductions have already been allocated to us. Over the last couple of years we have seasonal offsets to that reduction. That is why the \$261 million we would leave it at programmatic, we were Alec it up or pro rata and we saw all set and now with the depletion we will be experiencing people impact of those reductions.

>> The other issue I want to talk about is the unique factors, I don't want to manage expectations here. As you heard in the presentation, the unique factors to be considered, we are trying to keep this pool as small as possible. As one court makes us page for any you -- unique factor, until we have no money, we have to be very careful that we manage that process and don't get too carried away with that.

>> Because, especially as we start to see the larger courts. They will have unique factors and as we start up on that, when we start to get to the lower end of the smaller courts they feel those fluctuations greatly. So, I just wanted to add that caveat that we will have to tread very carefully with the unique factors. The last thing I want to talk about was the small court, the cluster ones. I just want to say that we have heard the concerns because in the model it would appear that they are not as under resourced. We all know that is not the case.

>> That is why the decision was made to not apply the model to them for this first year because we know many of those are really under resourced. They are feeling it. It is in the model and it is in, what it takes to open your doors. There is a base amount that every court needs to keep open to the public. We have got to get our arms around what that amount is and what the appropriate formula is for those small courts. I just want to emphasize that I do know that that -- that is 1st and foremost with the working group. That is a parking lot issue and Judge Earl has been talking about getting courts to continue to work on that issue. That will not be lost. That is, there is no concept that small courts are poorly resourced. It is a matter with the methodology and that will be continued to be looked at.

>> Those are my comments. Thank you.

>> [Captioners Transitioning]

>> You do presiding judge will for bringing together the group working to the questions and answers and the AOC supporting this and I think not only of the work product that you produce it is the way to go forward I think also is a partly you really shifted the paradigm this time this rebuff CEOs and presiding judges have really worked with your fellow presiding judges to talk about each other's needs, to know where you are in the continuum. For me, I hope that the new dialogue for the branch as we go focus of the difficult issues and you really set a shining example of that disability to work through and an otherwise insurmountable problem 16 years ago that you brought it puts everyone over and across the finish line in a matter of months. I know it sounds easy that was. I cannot begin to express the gratitude I have for the work of you have had walking us through these charts. You made it sound so simple. Looking at these charts in these numbers and we appreciate that that you're able to explain this throughout the state. Everyone feels it is the result of your magnanimous maintenance of -- magnanimous act that we came along and it's not perfect but on behalf of the branch, thank you very much.

>> Thank you, Chief, before Justice Miller takes over, just say that we appreciate the compliments the recognition I would have to say though that the real heroes here are [Indiscernible], Stephen Chang and we are in the CEOs who put their hard work and I hope I don't offend my judicial colleagues but our CEOs are really, really smart and they spent a lot of time working at this after all quarters Spencer they would have to say that I felt the time that Jody and I were like conductors and we would be in there and think this is what you have to do. And then I would get a daily phone calls from Justice Miller thing how you doing? And then I would get one from Justice Hall and then I would get some from you, Chief. We traded our conductor once for whips and we really did kind of drive these people and sometimes I think is the anxiety built, Jody and I tried not to use the whips on each other. As I was pushing her and she's pushing her staff. We did -- the best thing about this is that we worked collectively and collaboratively to bring this to you so thank you.

>> Thank you.

>> Ms. Miller?

>> It to come out what to start with praising each of you and the committee members in the AOC staff and committee members that work with you and I want to tell you for me personally I wasn't there because you said we talked on a regular basis and struggled through all of this and I am especially proud today is the Judicial Council member to be a part of this because this is historic and you really ought to be proud of that. And then to go little of what the Chief said, you all should be very proud of what you accomplish because it shows what we do so well is the judicial branch. We work through the deliberative process. We hear opposing views and them working together what we can accomplish and you should be commended for this because it was not easy, it was not without differing and strong voices in that process but again, it shows what we can do and what we can accomplish so much better when we work together. You really, we should be proud of that and we did not review the applause that was recommended by the motion that was made by Judge [Indiscernible].

>> [Applause]

>> I have one motion and its long. Here goes. This is my motion to accept this report and adopt its work well spaced allocation of funding methodology and the five-year implementation timeline as is set forth on page two and three of your report where it is listed one, two, and three, A through D with the understanding that there is for the refining that needs to be done with regards to the cost of labor adjustments and that would be a report that to the initial Council in June and that my motion my motion would be that is assigned through your current group under the leadership of Judge Earl. Also that the Council maintains its authority to manage the budget of the branch and to make modifications to the methodology and timeline as appropriate and each of the budget years in the future.

>> Second part, page eight of your report to the Council it without eight items that need further consideration for potentially incorporating into the application and funding methodology. Those of the parking lot items. They were listed on the slides today as items one through five. They were title the little bit differently as on your report on a -- page eight but I think my motion incorporates everyone of them. Again, my intent is to make sure that they are all assigned someplace and that they are all taken care of in the future from today. The first, evaluate impacts of the new methodology it California's smallest.

>>Cluster one, and include or make adjustments as appropriate. My motion is to refer that to the new trial court budget bites committee. Further refine the process for estimating employee benefit. Again my motion is that the referred to the trial court to get advisory committee. Evaluate self-help funding. My motion is that that be referred to the trial court to get advisory committee for also vote to work in conjunction with access and fairness and the new committee that will be created in that regards.

>> Evaluate the impact of AOC provided services. My motion is to defer that to executive in planning to review and to report back the Council. The next part is to include best practice standards. Again, that was an item in the previous motion in item zero and my motion is to refer that to E&P to the creation of a new committee to review that and refer back to the condom -- to the Council. Evaluating what to do with local fees and referred back to the trial court budget reset -- advisory committee, and allocate -- evaluate how do evaluate funding similar to what is

in item zero and in conjunction with the technology committee. Validate the data used in the new methodology including the accuracy of the data and that is also part of my motion to refer that to that SP 56 advisory committee. And it is assumed within my motion that within regards to these working lot items that are assigned to the trial court budget advisory committee that we will work executive in planning in conjunction with the trial court budget advisory committee through their chair I'm a Judge Earl, to make sure that your current committee members are included in the various aspects of this but that we will work with this to create a trial court advisory committee and our subcommittees and we make sure that we take into consideration the staffing needs. So the last permit motion is to again direct the Administrative Director of the Courts to work with E&P to us assess and report back to the Council in June and resources to require necessary appropriate levels of staff report -- support our work based allocation of funding methodology set forth in this motion.

>> Judge Rosenberg and then Judge [Indiscernible].

>> I would second that motion and I would respectfully request a roll call since this is a very historic event.

>> I want to make sure in your motion it concludes -- it includes anything that's farmed out much like when the SEC report was adopted by the Council that actually you have the members of the subcommittee now constituted or a sub of that which is a little unwieldy is to actually sit in on any meeting that have to do with the discussion and dialogue with regard to this and be a part advisory to a and P-letter. I think that we we're not reinventing the hard work that they have. They have the expert and it's works wonderful with the SEC. It is something you can't template or would you consider to incorporate as a from amendment? Than I could stand behind your motion and be counted as well to support it.

>> The first part of my motion is to keep their group exactly intact as it is to deal with the cost of labor issues that they're going to report back in June. The second part of my motion is to create the trial court budget advisory committee and its subgroups and also E&P is also going to create a new committee to deal with some of the parking lot issues. I want to make sure that these members are spread out all over the place and so I am not making this permit motion that they be created as a subcommittee in perpetuity. I'm saying for that one aspect, guess. On the other part, E&P will work with the chair of the trial court advisory budget group to make sure that they are in this process somewhere.

>> I just don't understand that in this process somewhere like to me on those -- define the parking lot. I am not suggesting you make it into perpetuity but me thought is that it was the language of your motion, at least I am not hearing it, at least that at a minimum, a few of these folks are on that or involved or put on the actual committee is advisory much like the SEC is the only thing I can say it is [Indiscernible - multiple speakers] --

>> I don't think they're going to escape they think they're going to be a part of this. I just did want a creative is a standard subcommittee of the court.

>> Judge Earl?

>> So following up on that I think the question I have, just as Miller about your motion, for instance when the items on your parking list it to [Indiscernible] really we had a 10 minute discussion about this and recognize that we did 92 have to deal with that as we go into fiscal year 1314 it was a the discussion we will have in the future. How would you envision the trial court budget advisory committee working with EMP on that particular issue.

>> It will be referred to EMP and they will make assignments to the different groups where that should go in based on whatever those needs might be. It may go to technology, and may go to some of the committee, it may go to the trial budget working group.

>> But would you envision that we would have that conversation within our group and communicate with E&P about our justice were?

>> Absolutely.

>> Judge Kaufman. I have not said anything and I'm just listening and on the one hand you're asking the cluster one courts to trust you and giving us a seat at the table. That's fine I'm willing to do that. We've had discussions and I really appreciate everybody's -- appreciate everything that everybody has said. There has to be trust on both sides. Before going to work as a branch you get to where we need to go, we have to trust that the Judicial Council and everybody will make this happen and will make it work. We can't have this dissension. If we have it now it's not going to get anywhere so I trust Justice Miller, I trust Judge Weller to work together for the committees and with the Chief and we will get there. It's historic and it's not -- and let's not stop.

>> We are trusting the Chief to staff the advisory committees and we will be fair to courts of all sizes and I think that she has consistently shown that she has included groups, people of different getting opinions and I think we can see in the future that that will continue.

>> Judge Jacobson, Alan Carlson.

>> Just very briefly I will not be on the roll call for a vote. If I did I would support Justice Miller's motion and flow.

>> I Carlson, Orange County. Being on the sub sub whatever, I'm not sure -- I think there's two pieces to the issue about AOC staff. I think what I hear from you is your concern about your responsible for the OC staff what they do and that is definitely a get -- legitimate piece of this but I think a lot of our concern on this is there are services provided to crowd -- trial courts that they do not pay for that they are provided by the AOC. Dobie is a problem that except it's not some they're -- it's not fair some other court have to pay for that service. I think that is part of her our group is coming from was I agree, totally the councils obligation to decide what services the AOC provides. But our concern was also who gets credit that are not the critic for that of the allocation of funding this is slightly different aspect that I think you're thinking of when you say E&P is going to be in charge of this.

>> Can I take that as a friendly amendment of that as regards to that of being signed jointly to E&P and the trial court budget advisory group. I get mixed up on my own terms I came up with. Trial court but advisory budget committee to work in conjunction with that and make appropriate assignments.

>> And I want to say, rest assured the Judicial Council in the last two names. I believe is undertaking major steps at certain restructuring. I have no interest in bringing in new people to start over and explain this. So I view this as there are subject-matter experts on this now. And benefits up. Just like SEC subject-matter experts. What I'm saying is there may be a time when all of your going to hang together with us for a few more years until we get through this and then when we get through some of these major directors like you will see us having more openings on Advisory Committees and councils because we've got over some of our major directors. But I don't expect anyone will be leaving anytime soon on some of these important issues for the branch.

>> And I second that.

>> [Indiscernible - multiple speakers]

>> When it comes from the Chief it sounds so much more compelling. (Laughter)

>> I would accept that for the amendment and simply state you guys just hit a grand slam home run once we take this vote. We are not going to trade your way.

>> I think we have had a discussion and the motion and a friendly amendment in the second, we're going to do a roll call vote. I will ask Judge [Indiscernible].

>> All right then. Roll call alphabetical order and signify your vote.

>> Judge Ashmann-Gerst

>> Yes.

[Roll call] judge the elbow -- yes.

>> Judge Elias

>> Yes.

>> Judge Ellsworth.

>> Yes. Mr. Fox

>> Yes.

>> Judge Herman

>> Yes.

>> Judge Herman.

>> Yes.

>> Judge Hull.

>> Yes.

>> Judge Kaufman.

>> Justice

>> Justice Miller.

>> Yes.

>> Mr. Robinson.

>> Judge Rosenberg.

>> Yes.

>> Justice [Indiscernible].

>> Yes.

>> It is unanimous.

>> (Laughter)

>> [Applause]

>> That was a standing ovation for those who are listening. There's one person I might've overlooked and I did not intend to.

>> Thank you for your recent input.

>> [Indiscernible - multiple speakers]

>> We will continue with our business meeting taking I would -- picking up item to, report for Judicial Council. It's an action item and John just like if you're presenting. I understand Justice [Indiscernible] could not be with us today.

>> [Indiscernible - multiple speakers]

>> I want to say it appreciate you presenting so low. I know that was not the intent or plan but thank you for stepping up, John.

>> Thank you, Chief, and Council members. I also have [Indiscernible], their anticipation was relayed on but I think we can contact them and they will be here later on to answer questions as part of this. And Justice [Indiscernible] expresses his apologies for not being able to come in today in includes your for this meeting.

>> The audit of the report were talking about today is the audit of the facilities management unit and it is with a compliance unit management and services contract for the period 2006 through 2011 and then the new contracts that established in 2011. As a matter of background, just to present the subject under governing cold 7392, the Council of that AOC has authority providing ongoing oversight management operations, operations and maintenance of facilities used by the trial court and for the period 2000 through 2009, 12,312,009 GMAC go over 500 to the retreat -- 532 transfers over [Indiscernible] square feet. This chart which is from the auto report provide some perspective on what occurred during that period of time prior to the audit and you can see that we started slow and at the end of 2009 significant transfers we're made. That provide some insight in terms of what occurred in terms of the infrastructure of the facility management unit and the complexities and promised that they counted. The infrastructure issues as you can see here for the paired 563,201,112, the total number of authorized positions did not change significantly over time and the workload for square footage for field position significantly increased providing challenges for that unit.

>> By region of facilities concerning regions, the breakdown between those regions are provided here with the square footage as allocated. Again, perspective in terms of what we've got now. The maintenance vendors that we are contracted with, the three maintenance vendors for that period of time, Jacob's project management opening, and a new facilities handle the new facilities and management of those facilities. The amount encumbered for that period of time is roughly \$178 million as part of our review of those contracts and the ongoing [Indiscernible]. Again perspective of background on the issue.

>> It's a big vendor compensation according to contract coverage of direct cost work and fixed-price work. The direct cost work I'm really was on the cost plus modeling price method as modified though covering both cost plus and what they call performance-based compensation and management fee. So generally under direct cost basis everything would be included. In this case it is modified so it includes management fee between 20 and 24% and a performance-based compensation or bonus of 5% to 7%. The primary work in this period of time is the direct cost basis for the term fixed-price. The service work orders that we reviewed during the period of time for the three areas or regions are roughly 80,000 work orders for the entire year. That is the bottom and it continues to be the volume that exists today for the dollars that we are showing there.

>> Doubt if it pertains to the report, after of giving you that background, the audit report was basically a contract compliance audit into performance review. The review of the for service

work orders where the SWOC we review over at 102 over 13 month period and that 13 month period is a very critical aspect of the audit report because it's a very limited period of time and we use that data to extract in total. We also reviewed 13 service work orders for specific CPR statutory review. That certified payroll records. Overall, the findings from this review indicated that there were numerous instances of noncompliance with key contractual terms and with statutory provisions. It also indicated the need for improvements in the overall operational processes. With that of the high-level and overall summary, I will also indicate that we worked extensively with both the office of legal services, and with other units within the AOC to correct the issues during the course of the review and also subsequently. It involved a very iterative process and many of the issues that we are seeing in this audit report, which is the backward looking audit report of the contract, have been corrected or are in the process of correction right now. In terms of an audit plan for the individual unit to perform their own reviews of documentation, the statutory compliance, staffing review, is also reviewing what they need in terms of staffing as I showed you earlier and one of the slides, the infrastructure was significantly behind in catching up. And generally, knowing from private industry would have done also is you always leave with the product and he tried to anticipate the infrastructure that you need before you will be fined -- behind and get into a whole that is too big to get climbed out of. We kind of got into a whole in this program and talk our way out of this and are continuing to dig our way out of it.

>> As it pertains to facility managed unit -- facility unit manage meant processes the report and everything in the notations and 1.1 refers to the issues and the auto report in 1.1 and chapter one and as an example there we indicate that there needs to be improvements over service work order processes. They need to increase the reviews and that will indicate a staffing need that has to be addressed. And that is being addressed and reviewed as part of their audit plan that we are assisting them with. We also indicate that there are enhancements needed over the service work order authorization and approval process. Issue 1.2. Similar to the Pegasus report, we are indicating that there have to be policies and procedures produced produce for that unit, again which is a new unit for this branch but they have to be condensed and provide guidance that is necessary in terms of this basic function. They're needs to be approval matrixes, [Indiscernible], and the system which they use to track of the service work orders and the processes need to be increased in terms of its functionality to accommodate what they need to do.

>> Additional unit processes that we feel need to be enhanced by the closeout processes with a close out the service work orders in terms of ensuring that their close properly and adequately to the satisfactory -- satisfaction that the -- two parties they are being addressed to. Increased monitoring and contractor and subject are con -- laws are necessary. While the contractor specifies that it's a responsibility of the contractor had several contractors there has to be monitoring to make sure gets that done properly and in conformance with laws. We noted that we performed our review we noted noncompliance pursuant to labor code section 1726 A. That in effect let us to having to report to the depart of industrial relations, noncompliance with statute and in accordance with statute. In June of 2012, after 1 year effectively assisting [Indiscernible] in providing documentation, DIR issued as of the ways and -- civil wage and penalty assessment for one vendor. That's it was for penalty of over \$630,000. Additionally, the second senator is still being reviewed by the DIR.

>> Additionally, we are suggesting improvements needed in documenting that the best value was obtained as part of the contracting and procurement function of the facility management unit. Documentations necessary to verify that the appropriate and lowest-cost procurement are performed so we get best value. We are also indicating that improvements are needed in monitoring subcontractor costs for mobile labor and material to ensure that we are also getting best value and it is appropriately documented. These are all process issues that we continue to work with the facilities management unit to ensure that they get correct. Most of them are either corrected or are in process of correction, inclusive of the policies and procedures.

>> Specific issues in the report, I've talked a little bit about the general wage issue, 2.1, we noted several possible areas of noncompliance with prevailing wage laws. Potential payments, less for general wage rates, per diem wages, possible noncompliance with apprenticeship standards with a partnership amounts were not specified and not withheld and/or paid as required by statute. We noted inadequate employee classifications reported in the certified payroll records. Statutory violations as reported to the DIR.

>> Additionally, incomplete CPRS including inadequate certifications of the CPRS one noted as part of our review. We noted inconsistent information in the CPRS between the CPRS the service work orders in the payroll records. Additionally documentation that we have requested from the vendors previously under the labors code section, was not provided to us.

>> Will be tested this area, we noted in the CPRS that I just noted numerous instances of noncompliance with labor code and with the requirements on the contract. This table and the other report this number of those. The inadequate reporting of employee craft classifications. Incomplete reporting on the payments being made. These are all considered serious and severe issues. I'm not going to belabor this point. I think the Council does this particular issue. The licensing issue. It's part of that licensing issue, internal audit services work with both the management unit, I was so the legal services unit, to ensure that ongoing monitoring and verification is done to ensure the contract licenses are in place and continually in place.

>> Requests for documentation from the contractor as I said earlier to support the invoices under the contract we require the documentation to be retained by the contractor were talking about 80,000 service work orders you can just imagine the paperwork is being provided, the contract reference the fact that they should have an on-site. It could be electronic copies to be up -- to be provided upon attend a request by the AOC. To support the invoices that we are paying to those vendors.

>> This table shows the two formal requests we made on January team, 2011 and much four, 2011 in terms of documentation to be provided we asked for over 115 supporting documentations for those service work orders totaling almost \$8 million. A very small sampling.

>> This table shows you from the audit report that we did not receive almost 50% of the documentation that was added -- that would adequately -- adequately support what we paid to those contractors. Internalized services could not support anything concerning the documentation for what we paid concerning the efficiency of documentation which supports what we paid to those vendors.

>> Direct labor charges. A couple of the highlight issues from the audit report, one of which is the escorting and other similar type services appear to be non- allowable contractual charges. The contract itself specifies that all contractor and subcontractor personnel meeting -- needing an escorted access to facilities will be subjected to an AOC background check. And acid so we use the term escort or semi type services in terms we are referring to the practice whereby the contractors came, opened up the door to unlock the facility, we did or left and came back at the end of the day to relax that door. We were charged for those services. High level review of the entire database for 12 month period was performed, we extracted based upon keywords to obtain a perspective with respect to what is the dollar value of this particular issue that we are in essence being for. That dollar amount, for that 13 men period and only the 13 month period after a review indicated that there was approximately \$2 million that we paid within this category with the internal audit services and again after consultation with this legal services office felt it was not appropriate -- appropriately billed to the AOC

>> Under contract management and support activities, issue 5.2, the contract requirement and fees in the case that certain payment provisions, management and support activities shall not be included in charges as part of direct cost work. In essence what we're talking about here is that on this modified cost-plus approach, if you played not only cost but if you play it a management fee and performance [Indiscernible] you're basically doubling up is that management also charges directly to that job or work order. That is a doubling up or in some cases a tripling up as we noted.

>> The contractor management and support activities, again under issue 5.2, we performed a 13 month review of the 13 men period from what appeared to be numerous labor charges for direct cost work that we felt were being performed by management and support personnel. Using the job titles similar to what we did before and associated labor costs and those service work orders we approximated the fact that we paid almost \$2.2 million based upon the management cost as charge to direct labor, that should not have been charged. Again, a doubling up for that period under our review. Again, a short period of review. Over time. Another category, unfortunately here the initial contract is conflicting or inconsistent provisions. Contractors took advantage of that in audits opinion. Basically the overtime is paid a total labor costs with repeated benefits not at the basic rate of pay per little cold and our review we noted that we paid for that 13 month period and appropriately we feel \$330,000.

>> We then went and reviewed the current contracts in 2011 after the basis of our looking at those old contracts was done and we assisted in the new contracts. The review of the new contracts noted a couple of key areas. Phase-in and phase out cost to phase-in of faith out costs are basically to phase in to get them started in doing this work and phase out is to get them and pay the monies to transition out. The 2006 contracts we're amended after three months to remove all accountability and transparency in those contracts. Basically what was removed with the ability to review him a comment and disallow expenditures. So basically we are paying them on their word that they are appropriately and accurately purchasing equipment that is necessary for the job. Those payments or \$3.5 million. We have no record of what they purchased. The new 2011 contracts contain some similar issues but would put the controls within those contracts on

the phase-in and are looking at those costs at the current moment and at the exact costs which were part of the overall bidding.

>> The new cost contract model goes from the cost-plus modified to a firm fixed price tier. That issue is a concerted audit this upon some of the information you just heard today in terms of data that is flawed as a basis for moving to that new firm fixed price tier.

>> The new process or the issues we have on the contract payments for phase-in and phase out we have a chart on page 99 which I will show you in a moment, and the contract concerned that we have the review and approval of the faith and faith phase out costs which are now part of the contract and to be reviewed as part of the new contracts at such point in time the future as we have new contracts. One example of page 101 is that from one of the contractors not only to the contractors employees have computers at their workstations, or at their offices, they were provided what they call \$3000 ruggedized tablets. They have two computers to do the work for those phase-in costs, ruggedized tablets are as if they drop them, as part of the work they should not break and we pay for them.

>> The chart as I referenced in the report shows you the phase in and phase out costs that were provided under the old contracts and under the new contracts that internal server -- internal audit services has expressed concern about. As you can see the old contract costs were \$3.5 million new contracts \$3.7 million. Again, as indicated, we moved from a primary cost-plus modified to a firm fixed price contract. Internal audit services as reported and in conformance with the discussion with the executive office discuss the various concerns and moving in this manner with the data that was fought based upon not only industry standards the standards as promulgated by the GAA owes office concerning the specific kind of work. The request was made of the contractors to supply data and for us to analyze that over time which will allow for the contact. We are now currently gathering data from the contractors for 1 year period which will end midyear 2013 to determine whether or not we got this value. At that point in time we will assess whether or not to McDermott -- make a recommendation based on that analysis.

>> Basically that takes me through the presentation concerning this audit report. There are a lot of issues and unfortunately Burt Hirschfeld and Jerry are not here today. I think they were pretty -- anticipating 2:00. I would take any questions or answering this audit report. Again acknowledging a lot of the items they presented today are historical in nature, we have assisted in correcting those. The dollars that I presented under advice from legal services office are dollars that we cannot go after.

>> In this is an audit from contract 2006 through 2011?

>> Correct. In a follow-up on the current contracts establishing 2011 that are still ongoing.

>> Ongoing.

>> You probably aren't suppliers but I have a motion.

>> (Laughter).

>> [Indiscernible - multiple speakers]

>> I think it is important to understand that the vast majority of those were before.

>> Because I have a question. Are we doing better now? Back yes, we are.

>> So we are watching it more closely?

>> Yes we are. This audit took a long time to see the light of day here because under direction from the executive office internal audit services worked hand-in-hand with the facility management unit to correct many of these issues. The issue of the things Apple is corrected very quickly the moment we identified it and we work with them to monitor it to ensure that we did not have that issue continuing. Similar to the other issues and we are still working with them now to ensure and monitor that these issues don't come back to surface.

>> I would just suggest we have a report not too long in the future because we're not going to wait another six years.

>> So that is my motion and it is to track the AOC facilities management unit to continue gathering the necessary data on Fender performance of the current vendors for full-year to complete an evaluation of the transition from a primary cost plus contract model two primary fixed contract model that at the end of evaluating this full-year term they report back to E&P and people decide with that information should appropriately go. It may need to go back to Amy for another audit may need to go to one of the Advisory Committees and then we will report back to the Council.

>> Point of clarification. Are you calling for an annual?

>> We are asking them to continue what they started which is an evaluation of the current vendors. They've only had that under evaluation for under six months and we want a full year.

>> Judge Rosenberg?

>> I am about to second it but you also want to include the staff recommendation that we now accept the audit report and convert it from pending to an accepted report as part of the motion?

>> That's fine.

>> I will second that.

>> Any further discussion?

>> All in favor say yes.

>> Any opposed?

>> [Indiscernible].

>> And Justice one last comment on this I want to emphasize the fact that as the Chief did, the contracts we reviewed for -- were from 2,622,011. There fairly old the nature and that's the basic -- basis of looking at audits but that's why we turned into the 2011 contracts to ensure that they got done correctly and with continuing monitoring the so that the issues do not come back again to surface.

>> Thank you, John.

>> I have a?

>> -- I have a question for council. We are waiting for another person to present at 2:00.

>> [Indiscernible] and she will be on the phone. She will not be in person.

>> Let me ask council. We are set to recess for lunch at 12:45 p.m. and come back to take up this matter. I don't know that this will take all that long. I'm not CO prejudge it, of course but would you like to hear Item R to postpone lunch for 15 or 20 minutes or so?

>> Thank you. Then we will proceed then to item are and I think that's way for being on the phone and also John Judnick again representing Justice Huffman here again appreciate your staffing and for this.

>> Thank you, Chief. This particular area and audit report will not take long. The A&E committee and let me get this slide there, the A&E committee upon my recommendation review this audit report of Alameda Superior Court and noticed that for large court that issues contained in the report were not extremely serious and generally would've referenced it for consent agenda. But the committee itself looks at the report and felt based upon their duties that there was an individual issue that they wanted to draw to the attention of the A&P committee and of the Council under their duties. And that is one specific issue that is identified in the report to Council in that particular issue concerns a systems development project that the court was involved with - - involved with air traffic system and they wanted to have this report discussed but only for that particular issue concerning more of a lessons learned or what a Superior Court should or should not do on its own when it's developed a system. That issue is on page 28 of the audit report but I will kind of walk through it. The audit report discusses the existence of technical industry guidelines and state requirements that are required of executive branch but not of the superior courts of California concerning compliance with information technology projects and how they should be performed. The superior courts again are not complied -- required to apply with state requirements until such point time until the school -- total project cost emphasize the word project costs exceed 5 million in which case the court -- they require to be noticed to the California technology agency which then performs a review in that review covers a lot of the documentation and issues that I'm going to did fight as part of a proper systems development project. And those industry guidelines and standards should be followed for proper management and control of IT project at the emphasis here is that the superior courts or in this case Alameda

Superior Court did not violate any statute, to not violate any policy that exists for the court in developing a system. One of the particular issues that the court was not aware of and that many courts are not aware of is the definition of project and how to estimate the cost in the queue like those costs. In this particular case the court felt that it's contract to develop the system which was for \$750,000 with the project cost and in point of fact once you identify all the cost of the project, both internal and external, that total project cost accumulated totals \$4 million.

>> Some of the standards in and requirements and guidelines that exist including 10. Standards for project management, the IEEE, which is the Institute of electrical and electronic e engineers, if there are standards that are promulgated in industry internationally for how to develop the systems project. The five basic stages and again I'm not going to get into any level of detail that there are five or six stages which result in documents and result in the requirements contained in those standards. In this particular case the concept stage requires the feasibility study to estimate those costs. I'm not going to get into the issues of Alameda Superior Court. I will say on a high-level basis and a no caps off the line and we talked about this, this particular project failed in every respect concerning the standards that are out there to be followed but again, I repeat there were no healthy or statutory pie -- violations here. They just did not comply with the general proper monitoring and management of the project. This system did not come into play and is now at the court with the traffic business of the court after multiple years and a couple of hiccups project initiation, project charter has to be established. That's a major project out what you had to evaluate verification, validation work as to whether it's necessary to find hope the project. Project planning, you need a project management plan and the governance of that plant and the oversight needs have to be defined within that stage. Project execution requires appropriate monitoring of the project management plan with all the deliverables with the output of the stage meaning that agreed upon deliverables with performance measurement been accomplished.

>> In closing, the last basic step in a systems development lifecycle or [Indiscernible] concept is that you have to perform a lessons learned at post- implementation of valuation report. All these five stages and what about link here are requirements of the CTA and requirements of the executive branch for properly doing a systems development project and adequately monitoring it. With that, again that the emphasis here before I turn it to Pat Sweeten for a couple of comments. The A&E committee felt it necessary to provide this is information through E&P to the Council as a lessons learned so other courts know what could go wrong should acknowledge the fact that they have standards out there and I have to be monitored and developed and it hereto that will turn it over to Pat Sweeten and for a couple of comments. Pat?

>> My purpose in coming to the Council with this was basically to acknowledge that there were mistakes made but more importantly that their need to be some guidelines or instructions to the court on what is included in total project costs and for example our court absorbed a lot of those costs just training staff with negotiations and things like that where it did not affect our budget, per se. And as a result we did not acknowledge them as project costs because they were not additional costs but in fact, what was learned in working with John is that all of those costs need to be authorized and included when you project your project costs and I don't think that is clearly understood by everybody. And so my purpose in addressing this issue with the council is that something needs to be, some document needs to be provided to the court so that they have

something that they can follow and that they have a clear definition of what those costs are so that they don't make the same mistake that we did.

>> Thank you. Judge Jacobson?

>> I read this and I discussed this also with Pat Sweeten in the last week and obviously this is a particular project that was not done well. And so I don't know if a motion is appropriate but if one is, the motion I would make before Judge Herman's technology committee to establish appropriate and more precise standards and in a written form that is accessible to courts that wish to endeavor getting their own -- setting up their own case management systems that would guard against a protect courts from unwittingly repeating this type of sequence. That's a motion, if a motion is appropriate here.

>> I think Justice Miller had a motion.

>> (Laughter)

>> Multiple. But I do have a friendly amendment and that is to really broad what they would do and I just come with written guidelines and consider whatever it may need to be done to highlight it such as education or training or the creation of written guidelines.

>> I would gladly accept that.

>> Second by Judge? Any discussion? Aren't we also supposed to accept the audit?

>> Yes. It have to be posted on the website. Thank you, John.

>> That's part of the motion. Another friendly amendment. Yes Judge?

>> Thank you, I just have a question about process generally about these audits because they notice and the discussion at the end of the report, the last couple of paragraphs where it describes how reports are posted publicly after we accept them, etc., that there is scrutiny of the report before it is posted, for a variety of reasons and make sure sensitive information is not publicly disclosed and in this narrative it describes that is a report that we have a pharmacist on page three, describes among some the information that should not be compromised are matters that relate to security of the branch or security of judicial officers. Who is the sensor? Was the screen are that [Indiscernible] this before it gets onto the webpage.

>> Internalized services goes to the audit report and pretax particular information in the audit report that presented to that A&E committee who reviews in detail the audit report and we've described what's going on and they concur with any recommendations from the internal audit services staff.

>> So they understand you, you are saying some analysts here at the AOC a staff person looks and then it's presented back to the A&E committee so the judges then scrutinize that?

>> I'm sorry if I misunderstood.

>> It's internal services. Myself. Who -- I am responsible for the audit reports, I review the data with the court as part of our exit review and then I review the information to ensure there is no sensitivity for the Council approval of any items in there that could jeopardize the safety of court employees were judicial officers. We need that particular data or reference from the audit report prior to it being put on the website.

>> Not hearing any further discussion. I will call for a vote on the amended motion. All in favor say aye?

>> Any opposed? Motion carries. Thank you. Thank you, Pat, for joining us and thank you John Torres for your double duty in person. In memoriam, we conclude today's meeting unfortunately as we often do with a brief remembrance of our judicial colleagues recently deceased. Judge Edward Bullard was very active on the Superior Court of Santa Barbara County at the time of his death. Our other colleagues are retired from the bench. Honorable Timothy Hanifin, Santa Clara Municipal Court; Honorable James G. Changaris, Superior Court of Sutter County; Honorable Lawrence E. Drumm, Los Angeles Municipal Court; Honorable Warren H. Deering, Los Angeles Municipal Court; Honorable William A. Munnell, Superior Court, Los Angeles County; Hon. Antonio E. Chavez, Los Angeles Municipal Court; Honorable Richard W. Kessell, Superior Court of Santa Cruz County; and the Honorable Ellen E. Brodie, Superior Court of San Bernardino County. We honor them for the services to the court and the cause of justice. We stand in recess, our next meeting will be June 26, 27, and 28. We stand adjourned. Thank you.

>> [Event concluded]