



Judicial Council of California · Administrative Office of the Courts

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on July 29, 2014

Title	Agenda Item Type
Trial Courts: Allocations from the State Trial Court Improvement and Modernization Fund for Fiscal Year 2014–2015	Action Required
Rules, Forms, Standards, or Statutes Affected	Effective Date
None	July 29, 2014
Recommended by	Date of Report
Judicial Council Staff	July 21, 2014
Hon. Steve Jahr, Administrative Director of the Courts	Contact
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Executive Summary

Instead of implementation of an 11.7 percent allocation reduction, which is equivalent to \$8.3 million, to the State Trial Court Improvement and Modernization Fund (IMF) in fiscal year (FY) 2014–2015, the Judicial Council staff recommends a one-time funding reduction of \$600,000 to the Jury Management System program. This recommendation updates recommendation 4(c) related to FY 2014–2015 IMF allocations in Item G of the June 27, 2014, report to the Judicial Council.

Recommendation

The Judicial Council staff recommends that the Judicial Council, effective July 29, 2014, implement a one-time funding reduction of \$600,000 to the Jury Management System program to bring a projected positive fund balance of \$510,229 to the IMF by the end of FY 2014–2015 (see Attachment A, column C, row 27 and row 29).

A summary of the IMF fund condition statement is displayed in Attachment A. A list of detailed program and project allocations from the IMF is displayed in Attachment B.

Previous Council Action

On June 27, 2014, the Judicial Council adopted the Trial Court Budget Advisory Committee's recommendations to allocate a total of \$63.8 million from the IMF, transferring \$20 million from the IMF to the Trial Court Trust Fund (TCTF), moving the allocation of \$6.3 million for non-court reimbursed costs of the V2 and V3 case management systems back to the TCTF, and implementing an 11.7 percent allocation reduction at the division level of the Judicial Council staff. The Judicial Council further directed its staff to report back with the recommendations on details of implementing the 11.7 percent, or \$8.3 million, allocation reduction in programs and projects.

Rationale for Recommendation

To minimize the impact to the trial court-related programs and projects funded from the IMF and to balance the IMF fund by the end of FY 2014–2015, the Executive Team of the Judicial Council staff asked offices of its three divisions to identify unliquidated encumbrances and savings from FY 2011–2012 through FY 2013–2014 during the month of June 2014. This expenditure drill identified a total of \$7.7 million in unexpended allocations (see Attachment C, column E, row 85): (1) an estimated \$3.1 million in unliquidated encumbrances from FY 2011–2012; (2) an estimated \$218,987 in unliquidated encumbrances from FY 2012–2013; and (3) an estimated \$4.4 million in savings from allocation in FY 2013–2014. In addition, \$526,296 in under accrued revenue for FY 2012–2013 was identified and posted by the State Controller's Office as of June 30, 2014 (see Attachment A, column B, row 4).

With the identified unliquidated encumbrances, savings, and additional revenues totaling \$8.2 million, the IMF would be able to fund the programs and projects in FY 2014–2015 that were previously approved by the Judicial Council. However, to reserve a projected positive fund balance for a possible revenue shortfall, in which the actual amount would be unknown until mid-August 2014, the Executive Team identified the Jury Management System program as the first program for reduction. The team will work with the Information Technology Services Office on how to manage IMF funding throughout this fiscal year to control costs and minimize the impact to the trial court-related programs and projects. The Judicial Council staff reported the updated situation of additional resources and presented the recommended allocations to the Trial Court Budget Advisory Committee as a discussion-only item during its meeting on July 7, 2014.

Comments, Alternatives Considered, and Policy Implications

This item was not circulated for public comment because it is an update to the recommendation reported to the Judicial Council on June 27, 2014. The Judicial Council staff did not consider any alternatives to this recommendation.

Implementation Requirements, Costs, and Operational Impacts

There are no implementation requirements or operational impacts.

Attachments

1. Attachment A: STCIMF—FY 2014–2015 Fund Condition Statement
2. Attachment B: STCIMF—FY 2014–2015 Allocation Details
3. Attachment C: STCIMF—Savings and Disencumbrances in FY 2013–2014

State Trial Court Improvement and Modernization Fund -- FY 2014-15 Fund Condition Statement

Line No.	Description	Judicial Council Approved Allocation (6/27/2014) ¹	Allocation With Updated Savings, Disencumbrances (6/30/2014) ²	Judicial Council Staff Recommended Allocation (7/7/2014)
		A	B	C
1	Beginning Balance	18,470,467	18,470,467	18,470,467
2	Estimated Disencumbrance from FY 2011-12		3,077,650	3,077,650
3	Estimated Disencumbrance from FY 2012-13		218,987	218,987
4	Estimated Under-accrued Revenue from FY 2012-13		526,296	526,296
5	Estimated Savings from FY 2013-14		4,375,061	4,375,061
6	Prior-Year Adjustments		8,197,994	8,197,994
7	Adjusted Beginning Balance	18,470,467	26,668,461	26,668,461
8	Revenues			
9	50/50 Excess Fines Split Revenue	25,324,600	25,324,600	25,324,600
10	2% Automation Fund Revenue	14,845,200	14,845,200	14,845,200
11	Jury Instructions Royalties	445,400	445,400	445,400
12	Interest from SMIF	135,000	135,000	135,000
13	Other Revenues/SCO Adjustments	3,062	3,062	3,062
14	Transfers			
15	From State General Fund	38,709,000	38,709,000	38,709,000
16	To Trial Court Trust Fund	(20,000,000)	(20,000,000)	(20,000,000)
17	To TCTF (GC 77209(k))	(13,397,000)	(13,397,000)	(13,397,000)
18	To TCTF (Improvement Fund AOC staff savings)	(594,000)	(594,000)	(594,000)
19	Net Revenues and Transfers	45,471,262	45,471,262	45,471,262
20	Total Resources	63,941,729	72,139,723	72,139,723
21	Expenditures/Encumbrances/Allocation			
22	Program and Project Allocation	72,066,600	72,066,600	72,066,600
23	Total Program and Project Allocation	72,066,600	72,066,600	72,066,600
24	Pro Rata Charge	162,894	162,894	162,894
25	Fund Balance (without reduction)	(8,287,765)	(89,771)	(89,771)
26	Fund Balance (as % of total allocation)	-11.5%	-0.1%	-0.1%
27	Less: Reduction to Programs and Projects	(8,287,765)	(8,287,765)	(600,000)
28	Net Program and Projects Allocation	63,778,835	63,778,835	71,466,600
29	Fund Balance (with reduction)	-	8,197,994	510,229
30	Fund Balance (as % of total allocation)	0.0%	11.3%	0.7%
31	Net Revenue/Transfers Over/(Under) Allocation	(18,470,467)	(18,470,467)	(26,158,232)

Note:

1. Judicial Council approved TCBAC's recommended allocations with these adjustments: a) continuing \$20 million transfer from the IMF to the TCTF; b) move \$6.3 million allocation for the V2 and V3 program costs back to the TCTF; and c) implement an 11.7% allocation reduction at the division level.

2. The adjusted amount for prior years' savings and unliquidated encumbrances is based on the information and data provided by the offices of the judicial council as of 6/30/2014. The revenue adjustment for FY 2013-14 is based on the actual receipts posted by the SCO as of 6/30/2014.

State Trial Court Improvement and Modernization Fund -- FY 2014-2015 Allocation Details

Line No.	Project and Program Title	Judicial Council Approved Reduction and Allocation (6/27/2014)	Judicial Council Staff Recommended Reduction (7/7/2014)	Judicial Council Staff Recommended Allocation (7/7/2014)
		A	B	C
1	Judicial and Court Operations Services Division	8,432,600	0	8,432,600
2	Self-represented Litigants Statewide Support	100,000		100,000
3	Domestic Violence - Family Law Interpreter Program	20,000		20,000
4	Self-Help Center	5,000,000		5,000,000
5	Interactive Software - Self-Rep Electronic Forms	60,000		60,000
6	CFCC Educational Programs	90,000		90,000
7	CFCC Publications	20,000		20,000
8	Total, Center for Families, Children and Courts	5,290,000	-	5,290,000
9	Orientation for New Trial Court Judges	121,000		121,000
10	B.E. Witkin Judicial College of CA	180,000		180,000
11	Primary Assignment Orientation and Overviews	263,000		263,000
12	Leadership Training - Judicial	55,000		55,000
13	Judicial Institutes	150,000		150,000
14	Advanced Education for Experienced Judges	34,000		34,000
15	Regional and Local Judicial Education Courses	9,000		9,000
16	<i>Subtotal, Mandated, Essential & Other Education for Judicial Officers</i>	<i>812,000</i>	<i>-</i>	<i>812,000</i>
17	Manager and Supervisor Training	34,000		34,000
18	<i>Subtotal, Essential/Other Education for CEOs, Managers and Supervisors</i>	<i>34,000</i>	<i>-</i>	<i>34,000</i>
19	Court Personnel Institutes	132,000		132,000
20	Regional and Local Court Staff Education Courses	11,000		11,000
21	<i>Subtotal, Essential and Other Education for Court Personnel</i>	<i>143,000</i>	<i>-</i>	<i>143,000</i>
22	Trial Court Faculty - Statewide Education Program	249,000		249,000
23	Faculty Development	28,000		28,000
24	Curriculum Committee - Statewide Education Plan Development	1,000		1,000
25	<i>Subtotal, Faculty and Curriculum Development</i>	<i>278,000</i>	<i>-</i>	<i>278,000</i>
26	Distance Education - Satellite Broadcast	137,000		137,000
27	Distance Education - Online Video, Resources, Webinar	10,000		10,000
28	<i>Subtotal, Distance Learning</i>	<i>147,000</i>	<i>-</i>	<i>147,000</i>
29	Total, Office of Education / CJER	1,414,000	-	1,414,000
30	Trial Court Performance Measures Study	13,000		13,000
31	Court Access and Education	347,600		347,600
32	Court Interpreter Program	168,000		168,000
33	Trial Court Security Grants	1,200,000		1,200,000
34	Total, Court Operations Special Services Office	1,728,600	-	1,728,600
35	Judicial Council and Court Leadership Services Division	12,299,700	-	12,299,700
36	Litigation Management Program	4,500,000		4,500,000
37	Judicial Performance Defense Insurance	966,600		966,600
38	Subscription Costs - Judicial Conduct Reporter	17,100		17,100
39	Trial Courts Transactional Assistance Program	451,000		451,000
40	Jury System Improvement Projects	19,000		19,000
41	Alternative Dispute Resolution Centers	75,000		75,000

State Trial Court Improvement and Modernization Fund -- FY 2014-2015 Allocation Details

Line No.	Project and Program Title	Judicial Council Approved Reduction and Allocation (6/27/2014)	Judicial Council Staff Recommended Reduction (7/7/2014)	Judicial Council Staff Recommended Allocation (7/7/2014)
		A	B	C
42	Complex Civil Litigation Program	4,001,000		4,001,000
43	Regional Office Assistance Group (Support)	1,460,000		1,460,000
44	Total, Legal Services Office	11,489,700	-	11,489,700
45	Audit Contract	150,000		150,000
46	Internal Audit Services (Support)	660,000		660,000
47	Total, Internal Audit Services	810,000	-	810,000
48	Judicial and Court Administrative Services Division	51,334,300	(600,000)	50,734,300
49	Budget Focused Training and Meetings	50,000		50,000
50	Treasury Services - Cash Management (Support)	238,000		238,000
51	Trial Court Procurement (Support)	244,000		244,000
52	Total, Fiscal Services Office	532,000	-	532,000
53	Workers Compensation Program Reserve	1,231,000		1,231,000
54	Human Resources - Court Investigation	94,500		94,500
55	Trial Court Labor Relations Academies and Forums	34,700		34,700
56	Total, Human Resources Services Office	1,360,200	-	1,360,200
57	Telecommunications Support ¹	11,705,000		11,705,000
58	Judicial Branch Enterprise License and Policy	5,268,500		5,268,500
59	Interim Case Management Systems	1,246,800		1,246,800
60	Data Integration	3,903,600		3,903,600
61	California Courts Technology Center (CCTC)	10,487,200		10,487,200
62	Jury Management System	600,000	(600,000)	-
63	CLETS Services/Integration	433,400		433,400
64	CCPOR (ROM)	585,600		585,600
65	Testing Tools - Enterprise Test Management Suite	624,300		624,300
66	Uniform Civil Fees	343,000		343,000
67	Justice Partner Outreach / E-Services	200,700		200,700
68	Adobe LiveCycle Reader Service Extension (Starting from FY 2013-14)	133,700		133,700
71	Total, Information Technology Services Office	35,531,800	(600,000)	34,931,800
72	Phoenix Financial and Human Resources Services (Including Support)	13,885,300		13,885,300
73	Judicial Council's Court-Ordered Debt Task Force - New	25,000		25,000
74	Total, Trial Court Administrative Services Office	13,910,300	-	13,910,300
75	Total Programs and Projects Allocation	72,066,600	(600,000)	71,466,600
76	Less: Reduction to Programs and Projects	(8,287,765)	-	-
77	Net Programs and Projects Allocation	63,778,835	(600,000)	71,466,600

State Trial Court Improvement and Modernization Fund -- Savings and Disencumbrances in FY 2013-2014

Line #	Project/Program Title	FY 2013-2014 Total Allocation	Estimated Disencumbrance From FY 2011-12	Estimated Disencumbrance From FY 2012-13	Estimated Savings From FY 2013-14	Total Savings and Disencumbrance in FY 2013-2014
		A	B	C	D	E = (B+C+D)
1	Judicial and Court Operations Services Division	8,616,000	277,593	22,424	100,443	400,460
2	Self-represented Litigants Statewide Support	100,000	30,548.46			30,548
3	Domestic Violence - Family Law Interpreter Program	20,000	63,554.09			63,554
4	Self-Help Center	5,000,000	43,125.00			43,125
5	Interactive Software - Self-Rep Electronic Forms	60,000				-
6	CFCC Educational Programs	90,000				-
7	CFCC Publications	20,000				-
8	Domestic Violence - Order After Hearing (ended in 2011-12)		29,216			29,216
9	Total, Center for Families, Children and Courts	5,290,000	166,444	-	-	166,444
10	Orientation for new Trial Court Judges	95,000			25,000	25,000
11	B.E. Witkin Judicial College of CA	160,000			2,000	2,000
12	Primary Assignment Orientation and Overviews	239,000	23,500		-	23,500
13	Leadership Training - Judicial	50,000			10,000	10,000
14	Judicial Institutes	110,000	2,500		20,000	22,500
15	Advanced Education for Experienced Judges	31,000			3,000	3,000
16	Regional and Local Judicial Education Courses	8,000			4,000	4,000
17	<i>A. Mandated, Essential & Other Education for JOs</i>	<i>693,000</i>	<i>26,000</i>	<i>-</i>	<i>64,000</i>	<i>90,000</i>
18	Manager and Supervisor Training	31,000				-
19	<i>B. Essential & Other Edu for CEOs, Managers and Supervisors</i>	<i>31,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
20	Court Personnel Institutes	120,000				-
21	Regional and Local Court Staff Education Courses	10,000			2,000	2,000
22	<i>C. Essential & Other Edu for Court Personnel</i>	<i>130,000</i>	<i>-</i>	<i>-</i>	<i>2,000</i>	<i>2,000</i>
23	Trial Court Faculty - Statewide Education Program	236,000	2,500			2,500
24	Faculty Development	25,000				-
25	Curriculum Committee - Statewide Edu Plan Development	1,000			500	500
26	<i>D. Faculty and Curriculum Development</i>	<i>262,000</i>	<i>2,500</i>	<i>-</i>	<i>500</i>	<i>3,000</i>
27	Distance Education - Satellite Broadcast	137,000	61,000			61,000
28	Distance Education - Online Video, Resources, Webinar	10,000			2,500	2,500
29	<i>E. Distance Learning</i>	<i>147,000</i>	<i>61,000</i>	<i>-</i>	<i>2,500</i>	<i>63,500</i>
30	Total, Office of Education / CJER	1,263,000	89,500	-	69,000	158,500
31	Trial Court Performance Measures Study	13,000			3,874	3,874
32	Court Access and Education	331,000	6,237	2,967		9,204
33	Court Interpreters Program - Testing, Dev, Recruitment, Education	140,000	15,412	17,275	6,000	38,687
34	2015 Language Needs Study - New (every 5 -year funding)	314,000			20,653	20,653
35	California Language Access Plan - New (one-time funding)	65,000				-
36	Trial Court Security Grants	1,200,000		2,182	916	3,098
37	Total, Court Operations Special Services Office	2,063,000	21,649	22,424	31,443	75,516
38	JC and Court Leadership Services Division	12,251,200	640,252	-	1,220,066	1,860,318
39	Litigation Mgmt Prog. - Judgment & Settlement	4,500,000	640,252		800,000	1,440,252
40	Judicial Performance Defense Insurance	920,600			61	61
41	Subscription Costs - Judicial Conduct Reporter	15,600			65	65
42	Trial Courts Transactional Assistance Program	451,000				-
43	Jury System Improvement Projects	18,000			4,200	4,200
44	Alternative Dispute Resolution Centers	75,000			15,740	15,740
45	Complex Civil Litigation Program	4,001,000				-
46	Regional Office Assistance Group - AOC Support	1,460,000			250,000	250,000
47	Total, Legal Services Office	11,441,200	640,252	-	1,070,066	1,710,318
48	Audit Contract	150,000			150,000	150,000
49	Internal Audit Services - AOC Support	660,000				-
50	Total, Internal Audit Services	810,000	-	-	150,000	150,000

State Trial Court Improvement and Modernization Fund -- Savings and Disencumbrances in FY 2013-2014

Line #	Project/Program Title	FY 2013-2014 Total Allocation	Estimated Disencumbrance From FY 2011-12	Estimated Disencumbrance From FY 2012-13	Estimated Savings From FY 2013-14	Total Savings and Disencumbrance in FY 2013-2014
		A	B	C	D	E = (B+C+D)
51	Judicial and Court Admin Services Division	53,482,516	2,159,805	196,563	3,054,553	5,410,921
52	Contract for OPEB Valuation Report (Every 2 years)	600,000				-
53	Budget Focused Training and Meetings	50,000			7,500	7,500
54	Treasury Services/Cash Management - AOC Support	238,000			83,000	83,000
55	Trial Court Procurement - AOC Support	244,000			218,779	218,779
56	Enhanced Collections - AOC Support	625,000			20,000	20,000
57	Total, Fiscal Services Office	1,757,000	-	-	329,279	329,279
58	EAP for Bench Officers	34,000	24,083		2,000	26,083
59	Workers Compensation Reserve (Carry-over)	719,749	57,774			57,774
60	Human Resources - Court Investigation (3-year to 12-13)	100,000	30,159			30,159
61	Trial Court Labor Relations Academies and Forums	30,000				-
62	HR Legal Counsel for TC Benefits (ended in FY 2012-13)	-	40,000			40,000
63	Total, Human Resources Services Office	883,749	152,017	-	2,000	154,017
64	Telecommunications Support	15,608,480	375,690		24,823	400,512
65	Phoenix Project - Fiscal Management Systems	3,218,883	29,750		291,530	321,280
66	Enterprise Policy & Planning (Statewide Planning & Dev.)	5,104,753	62,933		26,987	89,920
67	Interim Case Management Systems	1,650,600	861,183	196,563	593,146	1,650,892
68	Data Integration	3,351,692	80,875		546,938	627,812
69	California Courts Technology Center (CCTC)	9,483,147	487,778		-	487,778
70	Jury Management System	600,000				-
71	CLETS Services/Integration	515,200	14,225		35,389	49,614
72	CCPOR (ROM)	675,800	63,026		227,830	290,856
73	Testing Tools - Enterprise Test Management Suite	535,696	15,407		139,909	155,315
74	Uniform Civil Fees	385,000	16,923		110,149	127,072
75	Justice Partner Outreach / e-Services	1,080,404			381,574	381,574
76	Adobe LiveCycle Reader Service Extension (Orange Court)	129,800				-
77	TSG-CJN Shared Infrastructure - DI	46,804				-
78	TSG-CJN Shared Infrastructure - ETMS	46,804				-
79	TSG-CJN Shared Infrastructure - PHX	46,804				-
80	Total, Information Technology Services Office	42,479,867	2,007,789	196,563	2,378,274	4,582,625
81	TCAS Phoenix Project - FI	1,836,900			325,000	325,000
82	JC's Court-Ordered Debt Task Force (New ongoing)	25,000			20,000	20,000
83	Phoenix - FI (TCAS) - AOC Support	6,500,000			-	-
84	Total, Trial Court Administrative Services Office	8,361,900	-	-	345,000	345,000
85	Total Allocation, Disencumbrance and Saving	74,349,716	3,077,650	218,987	4,375,061	7,671,699