

# ACTIVITY REPORTING AND PROPOSAL FORM

## JUDICIAL COUNCIL DIRECTIVES AOC RESTRUCTURING

<b>DATE</b>	6/11/2013
<b>PREPARED BY</b>	Zlatko Theodorovic
<b>OFFICE NAME</b>	<u>Fiscal Services Office</u>
<b>JUDICIAL COUNCIL DIRECTIVE NUMBER</b>	33
<b>JUDICIAL COUNCIL DIRECTIVE</b>	<p>E&amp;P recommends that the Judicial Council direct the Administrative Director of the Courts to report back on the budget and fiscal management measures implemented by the AOC to ensure that the AOC's fiscal and budget processes are transparent.</p> <p>The Administrative Director of the Courts should develop and make public a description of the AOC fiscal and budget process, including a calendar clearly describing how and when fiscal and budget decisions are made. The AOC should produce a comprehensive, publicly available midyear budget report, including budget projections for the remainder of the fiscal year and anticipated resource issues for the coming year.</p>
<b>SEC RECOMMENDATION</b>	<p>The AOC's fiscal and budget processes must be transparent. The Executive Leadership Team should require the Fiscal Services Office to immediately develop and make public a description of the fiscal and budget process, including a calendar clearly describing how and when fiscal and budget decisions are made. The Fiscal Services Office should be required to produce a comprehensive, publicly available midyear budget report, including budget projections for the remainder of the fiscal year and anticipated resource issues for the coming year. The Chief Administrative Officer should be given lead responsibility for developing and implementing an entirely new approach to fiscal processes and fiscal information for the AOC.</p>
<b>RESPONSE (check applicable boxes)</b>	
<input type="checkbox"/> This directive has been completed and implemented:	
<input type="text"/>	
<input type="text" value="File Attachment"/>	
<input type="checkbox"/> This directive is forwarded to the Judicial Council with options for consideration:	
<input type="text"/>	
<input type="text" value="File Attachment"/>	
<input checked="" type="checkbox"/> Other:	

**EXTENSION BEING REQUESTED TO OCTOBER 2013**

AOC staff will develop and post on the public website a midyear budget report following the release of the Governor's proposed budget in January. This report will include projections for the remainder of the current fiscal year and any anticipated resource issues for the budget year.

Examples of new fiscal and budget processes being developed: Improving budget and allocation reports, such as adding local assistance funds so divisions/offices have a full picture of the budget they are accountable for; providing increased access to reports and financial systems so divisions/offices can more easily access fiscal data; and working to develop enhanced training options for AOC staff to ensure they are equipped with the knowledge and skills to appropriately manage their budgets. These processes will augment the existing practice of meetings between AOC budget staff and division/office budget liaisons that occur when initial allocations are released at the beginning of each fiscal year as well as the regular communication between these groups.

Targeted improvements include actions such as:

- \*Budget staff will no longer "zero out" the remaining budget when preparing the monthly PSR.
- \*Budget staff will not automatically move salary savings for vacant positions to the unallocated line item in the office's budget; the funding will remain in the PSR and may be moved at the request of the office.
- \*Vacant positions are budgeted at mid-step salary (the prior process did not budget for vacant positions until filled).

The AOC will build upon the DOF annual budget development calendar to document the AOC fiscal and budget processes. Additionally, the Fiscal Services Office will confer with state departments to obtain feedback regarding their internal fiscal and budget processes. Staff will confer with other state-funded entities regarding their respective internal budget development and administration processes, schedules and procedures including interaction with the State Controller's Office. While many state funded entities utilize the DOF CalSTARS system for accounting and therefore rely on that system to manage data from the SCO, others have their own systems to manage data received from the SCO and accounting functions. These entities include the following:

- Department Of Justice
- State Controllers' Office
- Board of Equalization
- Department of General Services
- Public Employees' Retirement System
- Caltrans
- Department of Motor Vehicles
- California State University
- Employment Development Department

It should be recognized that the administration and maintenance of policies and procedures is an ongoing process of continuous improvement, and although milestones can be achieved, this is an ongoing process.

 File Attachment

**TIMELINE AND RESOURCES FOR IMPLEMENTATION**

<b>IMPLEMENTATION DATE OR PROJECTED IMPLEMENTATION DATE</b>	<input type="text"/>
<b>RESOURCES REQUIRED FOR IMPLEMENTATION</b>	TBD <input type="text"/>

**ADDITIONAL IMPLEMENTATION INFORMATION (complete only applicable sections)**

<input type="checkbox"/> <b>PROCEDURES/ POLICIES UPDATED OR DEVELOPED</b>	<input type="text"/> <input type="button" value="File Attachment"/>
<input type="checkbox"/> <b>TRAINING UPDATED OR DEVELOPED</b>	<input type="text"/> <input type="button" value="File Attachment"/>
<input type="checkbox"/> <b>SAVINGS</b>	<input type="text"/> <input type="button" value="File Attachment"/>
<input type="checkbox"/> <b>COST</b>	<input type="text"/> <input type="button" value="File Attachment"/>
<input type="checkbox"/> <b>EFFICIENCIES</b>	<input type="text"/> <input type="button" value="File Attachment"/>
<input type="checkbox"/> <b>SERVICE LEVEL IMPACT</b>	<input type="text"/> <input type="button" value="File Attachment"/>
<input type="checkbox"/> <b>OTHER</b>	<input type="text"/> <input type="button" value="File Attachment"/>
<b>ADMINISTRATIVE DIRECTOR OF THE COURTS (ADOC) REVIEW AND APPROVAL</b>	
<b>ADOC REVIEW</b>	Administrative Director of the Courts Review Date: <input type="text" value="6/13/2013"/>
<b>EXECUTIVE AND PLANNING (E&amp;P) COMMITTEE REVIEW</b>	
<b>E&amp;P REVIEW</b>	Executive and Planning Review Date: <input type="text" value="6/17/2013"/>