

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 a formatted and unedited transcript of the meeting of March 27, 2012. The official record of each meeting, the meeting minutes, are 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>.

>> Good morning. This is a special meeting of the Judicial Council of California for March 27th, 2012. The meeting is now in session. First, some preliminary remarks. Council meetings are audio cast live with realtime captioning on the California Courts website. For the benefit of the online audience and for council members joining us by phone. I remind council members to speak into the microphones and when possible and necessary to address each other by name. We have allowed a full hour for public comment on our agenda today. I understand there will be seven speakers and Justice Miller will preside over that portion of the meeting. The expanded time for public comment reflects the council's desire to hear from all interested parties on these issues. It also includes written comments,

Before I introduce our speakers, I have a few brief remarks. I want to begin by thanking the council members by accommodating the special meeting. I recognize that over the last year the challenges that come before us and the changes we've made in branch governments have made additional demands on all of your time. I also want to point out that we at the Judicial Council have wanted this meeting for a long time, but we also knew that this meeting could not happen without an independent report on the facts of CCMS. So today our task is complex, difficult, and no matter what our decision, it will be controversial, but it is also essential.

I think you all understand and know that leadership is never easy. Leadership in tough times requires a shared vision, trust and abundance of fortitude. As I look around this room, I have no doubt that all of us are up to the challenge. I have this confidence with you because after working with you I know that -- process, that critical value of the judicial branch. You prepare, you weigh the evidence, you discuss and then you decide. Because this is a special session devoted to statewide court technology in the Court Case Management System we will dispense with our normal reports and our regular features of the our regular scheduled meeting. They will provide the historical context for today's meeting. They will review council actions on this decade long project and where it stands today.

But you and I know that's only part of the picture. There are at least two other factors that cover our discussion today and the first is the state's fiscal crisis and the impact it's had on the judicial branch budget. The conditions in our courts are becoming increasingly urgent. Many courts are operating with insufficient staff. We're also seeing unacceptable delays in adjudicating cases. Budget reductions to the courts -- in this environment, all of the council's decisions about use of scarce resources of the branch have to be balanced with our number one priority, keeping the courts open and fully operating and ensuring access to justice in California.

The other factor I believe that affects our discussions today are the changes in governance over the last year. We took the audit seriously and immediately implemented as many of the

state's auditors recommendations as practical, appointing an internal committee to oversee CCMS. I want to make sure that we were properly informed and the decisions about this complex initiative and the software and early deployment reflected our policies. Council has received detailed reports on the progress and challenges of completing and implementing CCMS. We have devoted many hours. As a result, I believe we come to this meeting prepared about the project. I want to thank all of the committee members, especially Judge Herman and Justice Bruiniers. We are far better prepared to discuss the issues related to the needs of the court. Comments have been distributed to council. Today's agenda and other meetin materials can be accessed.

I understand we have requests from approximately seven individuals who are checked in to address the council about our agenda today, and I turn over that list to Justice Miller and I want to thank council members in advance for this important discussion.

>> Thank you, Chief, and welcome to all of those who are here today to make public comment. We thank you for being here. We want you to know that what you say is important and great assistance in making this important and difficult decision today. Our first speaker is Judge W. Kent Hamlin, a director of the Alliance of California Judges and Superior Court of the County of Riverside. Judge Hamlin.

>> Fresno.

>> Fresno. I'm sorry, and as our rules indicate, you have five minutes and I'll let you know when you have a minute, so thank you.

>> Good morning, thank you. Justice Miller, good morning, Madam Chief Justice, members of the council. I thank you for the opportunity to address you on behalf of the 420 plus members of the alliance of California judges an association which is committed to the proposition that it is the trial court that is the face of justice for the citizens of this state, that it is the trial court judge who is responsible for the administration of justice and the delivery of justice in the communities in which he or she sits. And further that the purpose of those courts and their adjudicative function is the real purpose. So oversee them and to facilitate the kind of innovation and development that local courts can bring to their local communities. I am Kent Hamlin, I'm a judge of Fresno Superior Court, and I've had the privilege of serving there. I'm here on behalf of the alliance and not on behalf of my court, I am quite confident if I were here on behalf of my court, I would be advocating a much different position today than I am advocating on behalf of the alliance. Our court is stuck, we as you know are the early deployer of V2. V2 has been clumsy, difficult to operate, time consuming, I won't go into details, I've used it, and I think any of you who have used it, even those of you who are charged with the progress of the CCMS project know that V2 is woefully inadequate as a case management system. Fresno is stuck, because they can't afford the six million dollars a year that it takes to operate and maintain that system, nor than they can afford the 18 million dollars that Grant Thornton report tells us.

Now, how it is that CCMS came to roll out in these early iterations and other functions, how it is that those courts that were forced to deal with those had to spend a considerable amount of time and effort and money, tech staff, court staff to improve those systems and basically help the AOC and its vendor develop the complete product, that's one of the historians. It has been a

difficult process for our court, we know it's been difficult process for other courts. There have been many that have attempted to bring that concern to that council for the last several years. I sat over here when judge white came told you and told you about a very long road to a very small house. How V3 has been a difficult project in Sacramento asked you not to commit another 110 million dollars and yet his pleas fell on deaf ears. I heard our Judge McCormick address you last summer and ask for a cessation of CCMS development and deployment, while we heard at the council meeting that there was a pause, we learned at the next council meeting that there was in fact never a pause and that CCMS was going forward notwithstanding these protests.

Today, I tell you simply this, while there may have been only a few judges watching your operations and the development of this project some years back, I believe there are far more than the 420 judges of the alliance watching your activities today. I believe nearly every judge in this state is interested in what your solutions, if any, will be to the problem that CCMS has created and those judges expect action and they expect a difficult and courageous decision from you and that decision is to acknowledge that the initial vision of a case management system, CCMS that would be operated in all courts and link them in realtime is a filature.

>> One minute.

>> That vision needs to be abandoned. If the components of CCMS as developed have values and those comments will sell themselves to the trial courts of this state and other states and that perhaps is all you can salvage of this project. To continue to move forward with the idea that we're going to deploy to 10 courts, phases of development, ultimately a statewide infrastructure in place, it is a failed effort. I've read the reports, I've trust that you've read my letter on behalf of the alliance. That project has failed. If there was ever a system that will link the courts it is not system. This body needs to make the difficult decision today to end that project and save the money to deliver it to the trial courts so that we can keep our doors open and our staff paid. Thank you all.

>> Thank you, Judge Hamlin. Our next speaker is Jose Rios-Merida.

>> Good morning. Thank you for having me here today. I'm not used to speaking. I'm a court clerk and my job is to be quiet, so I'm a little nervous. Please bear with me. I've been asked here to speak here because my fellow employees think there's a ray of hope that we're going to get money to keep our doors open and our employees paid. So I want to give you a snapshot of the difference -- or how the cutbacks have affected the courtroom over the years. I started working for the courts 24 years ago when the courtroom was a different place, you know, there was always three people staffing the courtroom, we all knew what we needed to do. The bailiff handled security right down to where we put our scissors and keeping the doors locked on time, et cetera. The court reporter was busy transcribing and preparing transcripts and the clerk, that's me, always trying to navigate this hybrid job of being a clerical support as well as staff, helping the process, courtroom to courtroom, et cetera.

I haven't seen a bailiff in my courtroom in the last nine years. I work in the civil courtroom and we only use them as-needed. There's maybe a few on the floor. So I've had to worry about security sometimes even though we now have this airport TSA like machine in the lobby and

people are lined up sometimes around the corner providing delays and the appearance of delays, so safety has now turned into security. And I still in the courtroom have to every once in a while make sure that things are locked but we keep a different schedule than before, and sometimes have to -- I'm asked to look at people who come into the courtroom, determine if we need a bailiff and I feel like I'm actually -- it affects the way I look at the people that use the courtroom. And the same goes with the computer system. You know, we process our cases and sometimes it doesn't do what we need it to do, then we have to call downstairs and navigate whether the computer works for the clerks or the clerks work for the computer and it's all very difficult and I know that you all are also navigating that, maintaining the service that we provide, the administration of justice, and managing cases and figuring out what technology can do.

So I'm hoping that this gives us a sense of -- an experiment and that some wheels don't need to be reinvented, and let us do our jobs, because I feel like I'm doing quite a bit more, and I'm being told not only are there no bailiffs and court reporters in my courtroom, but I'm actually being told that my job is not promised because there's no resources. So I'm hoping that you put the people first. Justice is about the people we serve. Not only of families that pay our salaries with their taxes but also the idea of justice which is about people. Let legislators legislate, judges, judge, and let administrators administer. I'm told there's more resources we would like to have them. Thank you.

>> Thank you.

>> If you were nervous, it wasn't evident, you did a very good job. Thank you.

>> Next, we'll hear from Tim Lavorini from the Superior Court of the County of San Francisco, Deputy Court Clerk II

>> Thank you.

>> Good morning, everyone, and members of the AOC, Judicial Council, and Chief Justice. My name is Timothy Lavorini, and I am your clerk. I'm also a faithful employee of the Superior Court of California for city and county of San Francisco and I'm also a concerned Californian. I'm one of the many clerks statewide that has had to take on additional physical and stressful work loads of other clerks, court reporters and managers that have been lost in the last few years. Reduced services and staff layoffs. In my case, for example, I've been diagnosed with a 14% permanent disability as a result of my physical work that I perform in the commission of my duties as outlined in my workmen's compensation case but I'm happy to be back now doing the work that I love. Though with cutbacks I do even more of the same physical tasks that my original work-related injury subsequent surgery and four months of disability rehabilitation. Please, something needs to be done now. In proper court funding allocation, working conditions, sufficient staffing before anyone else is harmed by the neglect of the courts and the people that it serves.

Now, you may ask, how does any of this relate to the subject at hand and that is the effectiveness or not of CCMS. Well I would guess you would think I would be sympathetic toward a system that is disabled or partially functional. Remember, I am not only a court worker, I am a California taxpayer, as well as a consumer of court services and believe me all three of us have been neglected. Think about it, if this were your own PC and it still was not

working as promised after so many years and each time you asked the manufacturer when it would be finally operable and he replied just give me a little more time and a lot more money, I think you would be outraged and insist on your money back. We, Californians, want our money back.

You may say what rank does this clerk have on speaking on CCMS when the system is not even operating in his courthouse. I say that's precisely the issue and that's why it's not only my right, but my sworn duty to the courts and the people of the state to ask you to look closer into this egregious service failure. We are not rogues. We are the majority of the 58 courts not receiving the benefit of this so-called statewide computer system created to link the 58 counties together to better serve the public. We are in fact courts receiving a disproportionately less of the funding for our IT systems. Hundreds and millions of taxpayers' dollars have already been spent on this already obsolete computer system. Please do not vilify us for speaking out, we owe it to the people that we serve to ensure fair and equal access to justice. This must also include a fair and equal distribution as well as access to the very tax dollars that the people themselves have had to contribute. And who is responsible for the access to these funds? Did I hear someone say assembly bill 1208?

This CCMS saga is no fairytale, it is real. Please don't let this become another fabled emperor's new clothes, you know the story, where no one in his court, not even the emperor would admit that they could not see the nonexistent garments, and thus paraded unclothed on front of all of those people who whispered behind his back but feared to speak up against him or his unscrupulous fashion consultants. Well, ladies and gentlemen, from where I see stand, I see London, I see France.

>> One minute, please.

>> Seriously, in closing, in recent times, the world has bore appalling witness to another avoidable disaster on the seas and now knows exactly what the face of a captain's asleep at the wheel face looks like. If you are not willing to see that the good ship CCMS has run aground and is taking on water, at least let those of us who do gather up the innocent and move towards the lifeboats. We are asking you today to stop throwing the taxpayers' good money after bad before it overshadows the good work that this body does. Thank you.

>> Thank you.

We'll next here from Karen Norwood from American Federation of State, County and Municipal Employees, President of Local 3302 and Secretary to Council 36, representing Superior Court of Los Angeles Clerks and Save the Courts Coalition. Good morning. Thank you.

>> Good morning.

>> Again, my name is Karen Norwood, and I'm here today to make a statement. As you know, the California legislators have voted to put a hold on CCMS funding for all of the courts where it is not already deployed. AFSME strongly supports this position as a way to redirect the monies to keeping the trial courts open. I am here today to ask the AOC to step back from this technology project to focus instead on keeping justice accessible to the citizens of our state.

The simple truth is that the majority of the courts do not want this system. It is my understanding that the large courts, including Los Angeles Superior Court, does not need this system. San Diego has made it clear that it does not want CCMS, as have Orange County, Riverside, San Bernardino, San Francisco, and Sacramento. For the AOC to continue to pour millions and millions of dollars into a system that its own judges have rejected can only be described as (Inaudible). This summer more budget cuts to our system will close 50 courtrooms in Los Angeles, and cause 350 hard-working dedicated court staff to lose their jobs. How can this body justify spending money on technology when the courtrooms that would use it are locking their doors, and our justice system is being crumbled into ruins because there isn't enough court staff to do the work? In these tough economic times, it is simply unconscionable to move forward on CCMS, ask me and save the courts coalition, ask the AOC to act responsibly and redirect these monies to keeping the courts open, it is your decision, you choose.

>> Thank you.

Next, we'll hear from Gwendolyn Jones, President, AFSCME Local 575, representing the Superior Court of Los Angeles clerks and Save the Courts Coalition. Good Morning.

>> Good morning. I also represent the paralegals of LA Superior Court. As little money as possible should be directed to the maintenance of the existing court case management systems that have already been deployed. Courtrooms across the state are locking their doors due to budget cuts at a time when economic crisis has increased demands on the court system not lessened it. More than ever, the courtrooms need to remain open and be properly staffed.

Pouring money into maintaining an inefficient computer system is not the best use of our limited funds. While we fully understand that there are future costs associated with stopping funding CCMS now, we would like to point out that people's auto lives are on hold because the courts no longer have the resources to operate properly. Currently in Los Angeles it takes 16 weeks to get an initial custody hearing. That's four months that parents have no legal recourse to see and protect their children during a custody battle. Do you think those parents care what computer system we're using? How about businesses that can expect to wait two years or more for civil litigation? Does CCMS funding help them stay afloat now? This summer when more cuts close 50 courtrooms in LA and force out 350 more staff members it is going to get, much, much worse. People need to be our priority not technology. It is time to admit that CCMS is out of control and be responsible and strong enough to cut our losses. The people of California deserve justice and no more spending on CCMS, thank you.

>> Thank you.

>> Next, we'll here from Jon Streeter, President of the State Bar of California.

>> Good morning.

>> Good morning, Madam Chief, honorable members of the Judicial Council. It's a great pleasure to have the privilege to address the council on this critically important topic.

As president of the bar this year, I have been traveling around the state talking to lawyers in many counties and I am hearing overwhelmingly that there is a desire, there is a need for automated filing for the benefits that CCMS is designed to give and that in fact in the preliminary testing and validation of the V4 system shows that this system would deliver. Uniform justice statewide is an aspiration and a goal that we have been moving towards for many years and this is a capstone feature of that. Let me mention just a few of the critically important benefits. I mentioned e-filing. Lawyers very much would like to see that. More importantly, we're talking about access to justice. We're talk being the ability of people, many of whom are unrepresented to get access to court records in an easy, cost-effective way. We are talking about the ability of our judicial partners, not just the branch, law enforcement, for example, getting access to court records, and improving and looking after public safety as a result.

For example, when law officers respond through calls, complaints of domestic violence, they often times don't know the level of risk they're encountering. Access electronically to judicial records across the state will help those police officers know whether they're facing a level of risk that could endanger lives. The foster system, the foster care system, is another example of the critically important need to have access to court records in different counties.

So there are benefits that all of us who work within the system recognize in sharing information between counties. Third, just having the large amount of data that would be compiled by access to data for all 58 counties would improve this council's ability to make policy for the branch. Fourth, and I believe one of the most important and under emphasized values of this system is transparency to the public. Transparency that every working reporter will tell you is critical to their reporting on what happens in the courtrooms around the state. Increased transparency is very importantly linked to confidence in the branch to public education about what happens in our courtrooms. So those four things, access to justice, increased access for our judicial partners, increased information available for judicial policy making and transparency are things that I think you ought to focus on.

I won't engage in the debate. I'm not in a position to engage in a debate about the workability of the system. We've had some suggestions and we've all read about them, about whether the system works and whether it would impact jobs. Those -- the record is before you, I trust that you will be guided by not anecdotal evidence but the factual record that is before you. This is a system that is long overdue, those of us who have practiced in other states know that we are falling behind. California will become, if this system is suspended or abandoned, one of the -- one of the states that brings up the rear in terms of automation nationwide. We should not be in that position. We should be leading. -- governs this body and has for many decades. This is not a discretionary policy. I urge you to keep the value of uniform justice and access to justice statewide upper most in mind. Thank you.

>> Thank you. Next, we'll hear from Paul Kiesel, co-chair of the Open Courts Coalition.

>> Good morning, Justice Miller, Chief Justice, members of the council. I speak to you this morning on behalf of the open courts coalition which many of you know, our goal is to provide adequate funding to the court system. That adequate funding, I think everybody in this room

agrees is to keep courtrooms open, to keep them accessible, to have them adequately staffed, and to make them affordable.

A technology system is essential for all four of those components. I've been an early adopter of technology for the 27 plus years I have practiced law. In fact, just this morning, ironically I found that I was going to be named one of twelve highest tech lawyers in the United States and it's not that I'm like 12 years old or write computer programs, it's that I try to utilize within my practice, the ability to create productivity where otherwise I couldn't do it. I file papers much as we do in this chamber today, much as our colleagues did 250 years ago. We physically take the paper and we file it with the court, with messengers and with hand stamps and that time has got to come to an end. And the open courts coalition has advocate and my role here is to talk about efficiencies. We need a system in California, whether it's CCMS or it's another system in place, it is, and I've said this before, embarrassing that the state of California, the home of silicon valley, does not have the ability to file documents electronically, to serve documents electronically -- (Inaudible) -- go online and get access to documents that she wants or have the ability to know whether you've got an appearance coming up merely by going on to a computer. This body has a difficult balance it has to find and that is the need to fund our courts.

All of us want open courts, none of us want to see 50 courts close in Los Angeles. But on the other hand, we have to have technology in place and we cannot, and this is where my belief is, this body has to lead. We cannot have 58 separate counties develop their own independent software systems that provide technology access. There needs to be a way for us to have access to the computer systems, whether it's Riverside or Los Angeles, or San Francisco, where we don't need to learn 58 different systems, but we can have one uniform way of filing documents, of serving documents, and getting access to our records.

I understand that there are difficult decisions that need to be made and dollars that need to be spent, but from an efficiency standpoint, I heard one speaker suggest that we need to keep courtrooms open and not focus on technology. And my response to that is, we must always focus on technology, because that is what we'll keep the courtrooms open. That is what we'll make our state a greener state than we currently are. Thank you very much. I thank you all for the responsibility of taking it on and doing it.

>> Thank you.

Next, we'll here from Neil McCarthy, President of the Consumer Attorneys of California.

>> Good morning.

>> Good morning. I'm speaking on behalf of the consumer attorneys of California, and first let me recognize that due to the budget constraints there's simply not enough money presently available for a CCMS or other electronic system. We recognize that, but that doesn't alleviate the need for one. Whether this council votes to suspend or completely terminate CCMS you must recognize there is a long-term need for a uniform e-filing system in California. The members of our organization overwhelmingly support that system. We want a system that has the basics the Federal system has, e filing, e service, the ability to review documents online.

Presently in California, you can file your taxes online, but you can't file the simplest court documents online. A typical scenario is when my staff comes to me and says, well, we're going to file such and such document. I first have to ask which county it is to see if e-filing is available at all then we have to determine if it fits within the narrow parameters. Is it a case that's been acknowledged by the court? It varies widely from county to county and it's tremendously inefficient. E-filing is a great way to reduce costs and allow the public access to information they normally wouldn't have.

Now, we also understand that certain counties don't want CCMS. And we also understand that you are under a tremendous budget restraints, so what we would suggest is that CCMS be put on the pause button, and when it's paused over a year or so, there's an evaluation done to see what part of the expenditures that have been made can be utilized in the courts that actually want it. Because we've spent 350 million dollars on this system, and it seems somewhat irresponsible just to walk away without any value for what the taxpayers have given. If the choice is truly between jobs in open courts and technology, we all want jobs in open courts, there's no question about that. But we also as stewards of the justice system need to understand the long range consequences of abandoning E-filing and E-service and we need to understand that California presently is the tail, where it should be the leader.

So we certainly don't profess to tell this council how to spend your limited resources, but what we would do is ask to you understand that whatever decision you make that there is a pressing need for a uniform electronic case management system in California. When you make whatever decision you make today please keep in mind that vision. Thank you.

>> Thank you.

>> Chief, that concludes the public comment session. I did want to acknowledge that we have two council members that are here with us today over the telephone, Miriam Krinsky and Judge Friedman, and I also understand, from an e-mail I received, Judge -- will try to call in when she's a available.

>> I'm here.

>> You appeared. Thank you.

>> So I will turn it back over to the Chief.

>> Thank you.

>> I would like to take the opportunity to introduce our -- a new upcoming Judicial Council member who I spot in the back, in the back row, and that is the former San Mateo district attorney, Jim Fox -- welcome, Jim. But at this time then, I would, according to our agenda, call up our first speakers.

>> And for purposes of those listening by electronically, I would ask the speakers, the presenters, to please introduce yourself on the record.

>> Thank you, Chief. I'm Jim Herman. I'm a trial court judge from Santa Barbara County California, as well as a member of the Judicial Council, and chair of the council's internal committee on the Court Case Management System.

Ladies and gentlemen of the council, Chief, and members of the interested public who are here today, we are at a crossroads on the future of the California Court Case Management System as a branch-wide technology solution. We finally have a product ready for deployment that would over the next period of years tie our courts together that would allow, as the lawyers who have talked here this morning, would allow unprecedented access to justice for lawyers, for justice partners, or stakeholders and tremendous efficiencies for our court workers, our clerks, our staff. Everyone who has seen the application demonstrated has come away impressed. Judge Moss and Judge Reeser have demonstrated it V4 and V3 to lawyers and interest parties and stakeholders throughout the state, and all of the comments have been almost universally positive. Every agency that has reviewed the product --

>> Your button.

>> Technology.

>> Every agency that has reviewed the product, the bureau of state audits, the California technology agency, K3, ISD -- agrees that V4 will perform as designed in a production environment. In other words, this is a system that does work and that would bring tremendous efficiencies and access to the courts to the public, the people of our state.

The question that we face today, as stewards of the branch, is not whether CCMS works as designed or whether it would bring the substantial efficiencies to California courts, convenience and access to our justice partners, judges, court workers, litigants, and the public, rather the question is whether and what we can afford in this economic climate in terms of going forward. As a branch we have sustained 650 million in continuing cuts, plus last year's diversion of 310 million dollars from our construction funding borrowing of an additional 400 million against that same fund. We have over contributed to the state's economic problems and economic solutions.

We have during that same period of time diverted 171 million dollars to the trial courts from the CCMS budget, which has resulted in substantial delay of the project. Today, ladies and gentlemen of the council, we will look at three options, option number one, an initial deployment to San Luis Obispo, which has a failing legacy system at this point, followed by second wave deployments to 10 courts of representative size, resources, and needs throughout the state.

Second, a pause resulting in two-year project delay, a one-year pause that would result in two years of delay followed by deployment to San Luis Obispo, and the second -- courts.

Third, a termination of CCMS V4 as an enterprise system with the council charged to the internal committee to report back timely to the council on a new branch technology vision and road map with strategies to leverage a CCMS technology, the document management system, the E-filing system for the benefit of the courts, our stakeholders, and the public to assist San Luis Obispo with a replacement to its failing legacy system, to develop a policy to identify and assist

other courts with the need to replace or upgrade existing systems, and finally, a government structure to address these issues through the council and through the branch.

We would also address go forward support for the V2 and V3 courts and receive an informational report about the 16 million delayed payment from DeLoitte. In order to assist you in making undoubtedly a tough decision, one way or the other, we will hear the economic budget context -- on the project history, and we will here from Grant Thornton on its review of the project and development of the 10-court deployment, and finally, we will here from Mark Dusman -- on the three possible choices facing the council today, as well as the other issues I've described.

In closing, I would just like to extend to the internal committee my appreciation for all of the work that this committee has done since the chief appointed us last April in terms of oversight and report to the council, as well as the tremendous staff work by Jody Patel, Mark Dusman, Butler, Hatcher, and all of their staffs. This has been an emergency set meeting on an extremely short timeline which pressured staff resources tremendously to get us from point A to point B today with the reports that I think are going to be extremely helpful to the council in making its decision. With that, I think we would start with Curt and Zlatko in terms of the economic context.

>> Thank you, Judge Herman.

>> Good morning, chief and members. We are going to give a brief update to provide a little context, I think, on your decision on CCMS to give you a sense of overall the general fiscal condition of the state, then importantly a little bit on the branch budget, and the direction where we're taking our budget efforts in our discussions with the legislator this year. So Zlatko was going to start off with I think a more general overview of where California is right now and where we hope it will get to.

>> Good morning, chief and members of the council. I'm going to report to you on overall fiscal information and economic information as reported by the department of finance in their most recent finance bulletin. For the California economy, 2012, got off to a slow start, economic indicators were contradictory, the small loss in nonfarm jobs but the unemployment rate improved. Construction activity slowed as did real estate market. California as unemployment rate fell 3% to 10.9% in January. The first time the rate has been below 11% since April 2009.

The rate fell by 1.2% over last year. The January rate was 1.5% lower than its recessionary high of 12.4% in the July through October 2010 period. However home building slowly -- sharply slowed in January with the pace of permits following 24% in December. The second consecutive month over month slow down. Real estate conditions softened in the beginning of the year. Sales of existing single family homes declined by 5.7% from the same time last year. So there's clearly mixed economic indications as it stands now.

The February forecast for revenues was 3.254 billion dollars and the estimate that was -- for total fiscal year estimate the state is down by almost 700 million dollars as compared to the forecast. Which was just made in January. Let me just remind you that the LAO did do a fiscal forecast at the end of February in which they differ from the administration's projections by 6.5

billion dollars. It's an issue of how they see the 12-13 fiscal year and its economic indicators moving and the fact that there's difficulty in projecting upper income tax receipts. Within the current year there are about three billion dollars less in the budget year. Clearly we have some mixed economic indicators in our two major forecasting units have a major difference in terms of fiscal year revenues, that six billion dollars is -- is on 85 billion dollars, so it's a large difference between the two forecasts. I want to remind you also that we do have the tax proposals to bridge part of the gap. The governor recently did revise his proposal -- in consultation with the California federation of teachers, which has slightly altered plan to move toward upper income tax increase and less on sales tax. -- which is it is still being pushed by that group. So what it says is that we still haven't narrowed down on a single tax proposal which is going to cause quite a bit of difficulty going forward. We're going to remind you of the 125 million dollar trigger. So while we are proposing and preparing for a plan for our current budget, we are also -- have to be mindful of the fact that to the extent that the tax proposals are not successful, we will be facing 125 million dollar cut, unless we're able to find our way out of the trigger cut plan as it stands right now. I'll turn it over to Curt with our efforts on the legislator.

>> Thank you.

I'm going to give you a few numbers I know you're all very familiar with, but they bear repeating again as you're looking at the decision that you have to make today. As you recall, we have had ongoing budget reductions to the judicial branch over the last four years of 653 million dollars. Those are ongoing reductions, so they have reduced the base, the general fund base of the judicial branch by that 653 million dollars. 350 of that was this year in the current year, and again, just as a reminder, that not only was there the general fund reduction, but the legislator and the governor looked at the judicial branch for getting through this year's budget. There was 90 million dollars that came out of 1407 for construction funds -- there was loan from the state court facilities construction fund, and then there was a 310 million dollar sweep of the SB 1407 funds essentially all of the revenue that was generated or to be generated this year from the fees and fines that were increased for SB 1407 were re-directed to the general fund. So all told the judicial branch had been part of the solution for the state this year of over 1.1 billion dollars. So it's been a major challenge, I know, for the courts, all of the courts as we're working through potential solutions. Fortunately, again, the council was able to do a number of redirections to the trial courts to help absorb the impact of those reductions, but as we all know, one time redirections start getting slimmer and slimmer as we use those and we're in that circumstance now that there are fewer one-time solutions coming up than we had this year.

Where we are at now in our budget discussions with the legislator and with the governor really started last fall as we worked together with our presiding judges, court execs, and others in the branch to craft what would be a proposed solution to take to the legislator to assist in getting through this next year, and how to deal with that ongoing reduction of 653 million dollars. The components of that are that, well, we think it nonrealistic nor even responsible to be suggesting that the branch should be line in for a full restoration of the 653 million dollars we did look at a solution where like much of the rest of the government, that we would absorb a significant portion of that, that reduction as a baseline adjustment. The number was about 350 million dollars, and essentially representing an effort to maintain funding levels at fiscal year 11-12. This year's funding levels. But that still leaves a 300 million dollar problem that we've got to look at addressing to be able to maintain those funding levels and so the solution that we have proposed

that we've been continuously talking with the governor's office and with the legislator that the branch stakeholders, our bench bar coalition, the open courts coalition have all been taken to them the need for the restoration of a 100 million dollars this year. We've stated that 150 million dollars over three years really representing that last 150 million dollar cut that the branch took in the last few days of the final -- the final deal. So the governor did not include that restoration in his budget.

The signals have not been overly positive that we are going to be able to see that 100 million dollar restoration, however as we have in past years, we will continue to make sure that the legislator and the governor understands the impact and the importance of getting to -- getting to that restoration. Another component of the proposal and the governor did include in his budget a proposed 50 million dollars in new civil fees, and we've been working with the bar on some possible methods of getting to that 50 million dollars. Primarily, looking at some increase on first paper filing fees, increasing the jury deposit fee, increasing motion fees, and increasing complex litigation fees. We still haven't gotten to the point that we've got complete agreement, but I have confidence that in continuing to work with the bar, we'll be able to get to that 50 million dollars in solutions. We've also proposed as we have used in past years again, because they are getting more and more slim, the possibility of redirection. So looking at redirecting from other funds, 50 million dollars to trial court operations. We've also been engaged working closely with the courts with the presiding judges and the court executives in a real effort to sort out a number of efficiencies that we may be able to get some additional funding, and that's chaired by Judge -- David Yamasaki. We're confident that we will come up with some efficiencies that we'll be able to include in our legislation as well, and then lastly, part of that solution we'll have to be looking toward the fund balances. So 100 million dollars in those fund balances. So those are the key components of our discussions now that we continue to have advocate and will continue advocate through the budget process. So where are we in the budget process? Right now, first of all, there will be a hearing in the senate judiciary committee on the 16th of April, that committee is just going to take a look at the impact of the budget reductions to the branch from the last few years reductions. It's an informational hearing. But we think it will help set the stage, I think, for the further discussion in the actual budget hearings in our subcommittees that will start in the assembly on the 18th and the 19th in the senate budget subcommittee. After that, they may or may not take action on those items, and is often the case, before the -- those items are left open, so we may not have many or any decisions potentially on our budget until the May revised numbers come in on May 10th.

After that, we would expect the subcommittees would quickly go to work, take their actions, go to conference committee and we would anticipate that we would have a budget moving close to being on time, but we've got a long way to go through these discussions, and I think there will be some significant discussions about branch funding and I think we continue to make a pretty effective case on the need for our restoration to avoid further impacts to the branch, and I just want to, again, emphasize that what makes this year particularly difficult is the specter of the 125 million dollars that is out there in the governor's trigger proposal. So that, I know, you all will have to be dealing with in how we do allocations without having, you know what will happen mid-year with those reductions. So those are what present the challenges. If we are successful in much of these proposals, that we will be able to maintain at 11-12 level of funding in 12-13. So any questions?

>> Any questions for Curt?

>> What's the likelihood of getting the 125 trigger out?

>> We continue to have the discussions with the administration about the importance of that trigger coming out. I would not be overly optimistic that that actually happens. I think it's important for the governor, I think the legislator will probably follow suit, that they want to be clear that without some additional revenue there will be significant impacts across state government of which the courts would be expected to share in.

>> And one thing if I would add, that makes the budget picture more difficult is the fact that there's been recent action to overturn some reductions that were included in the budget act. They just blocked the state of California of imposing 10% -- further pressure, the fact that some of our underlying budget assumptions are not coming to fruition, that makes it also difficult to gauge our success in terms of the general fund at restoration.

>> Here is my question, do you know how many of the courts have operationalize the first 350 million dollars out of the 652 million dollar problem?

>> I couldn't tell you an exact number. All I can say is that we've spent a fair amount of time with a working group of presiding judges to try and land on a spot on where we thought was both politically realistic, but also practically where courts thought they were on it.

>> I know that to do that -- we're laying off 350 employees and I'm looking around the state to see what other courts are doing. We're not talking about the second 300 million, talking about the second 300 million, I was up in Sacramento when you were up there talking to the legislators and when you say they were not overly positive, I would say they were overly negative. -- (Inaudible) -- I don't believe anybody believes we are. What's plan B?

>> I think what is crucial as an important component in our discussions that we're having is that in fact this body be given the discretion and much like the language that we had in this year's budget and budget bill language that would allow the council to make the decisions about how to look at all of the funds for which -- before the council to make the determinations, how to best allocate in that case -- how to best allocate the reductions. So certainly what we plan, Judge Wesley, is to vigorously advocate that the council have that discretion and just like in past years, I would anticipate that every fund that council oversees would be on the table for discussions about being used as a possible solution for the reductions.

>> And that's why I made that presentation last -- at the last council meeting, going over every fund, so that you get an appreciation of how the direction of the fund balances within all of our own funds have gone, so that we have an informed decision. In terms of openly and publicly discussing plan B, I think we have to be in strategic in terms of that. We don't wanted to undermined our own position. We are actively planning as Judge Rosenberg is well aware of.

>> What are we undermining by having a discussion and when are we going to have that discussion. They're not going to give us 100 million dollars everybody knows that.

>> The discussion is going on. There's a trial court budget working group composed of 15 -- and 15 CEOs and we certainly are discussing -- the discussion has begun and will continue regarding plan B, C, D and all other plans. I think that needs to be an internal discussion at this point. I don't want to raise any false hopes in the legislator or the governor, to say here is a plan where we could whack the branch some more.

>> To the extent we offer internal solutions, they may not restore and take more. Especially in light of the shortfall that they have projected. Offering up our own internal would possibly give them an opportunity to take above and beyond the current reductions.

>> Kim Turner.

>> Zlatko about this discrepancy between their projections in terms of revenue for the coming year, or for the two-year cycle, so 6.5 billion dollar difference between what they presume is going to come in versus what DOF is expecting. So will some of that discrepancy be resolved once the May revise comes in, is that too early to have some real predictor as to what the revenue is actually going to look like?

>> It should be much better than what the LOA had done in February. As we know this last budget cycle, June provided an opportunity for the policymakers to make an update to the revenues, so while May is an excellent indicator because of, you know, we have the April receipts, given the uncertainty in the sort of economics to underline the economics and the projections, it is difficult. Especially coming out of -- as much as it was difficult understanding how low we would go, how fast and how high we will go in the beginnings. There's many factors, there's the fed fiscal policy, just a number of issues that all have to converge, what it is that European economic situation is, what is it that China's growth rate is, and so there's just a number of factors, but May with actual April receipts will be a much more concrete in terms of where we are in the discrepancy between the department of finance and the LOA.

>> Is it possible that the trigger will be updated. That it may not be just 125 million dollar but will change?

>> I think that the difficulty is there -- that might be pretty much set in stone there, I think they have to have the 800,000 signatures by May for them to be ready for the November election. So that will probably likely be set. In terms of the revenue generating, what the actual trigger could change in subsequent legislation.

>> So, Zlatko, the bottom line is, there really is very little money to do V4 or any technology for failing legacy systems or -- critical need, is that the bottom line?

>> It's a difficult task to find the funds.

>> Any more discussions on the budget before we move on to our next agenda item? I don't see any hands raised. Thank you.

>> Thank you. The next segment will be a discussion by Justice Bruiniers about the history where we started and where we are now regarding CCMS, and I, again, would like to express my personal thanks, as well as I'm sure the thanks of the council to Justice Bruiniers. As all of you know, he has chaired the governance committees, the executive committee, and oversighted governance committee since they were formed a year ago, December, and I can just personally attest that he's spent huge amounts of time and energy on CCMS and the direction of CCMS. He's participated in a huge number of weekly teleconferences with the vendor, with Grant Thornton, with stakeholders, with the governance members and chairs and as well as the committee itself. So thank you for all of the work you have put in, and if you could report to the council on where we've been and where with he are now.

>> Thank you.

Good morning. I'm Terry Bruiniers. I sit on the first district court of appeal. I've served at chair of the new governance committee. I've also served on the court technology advisory committee to the Judicial Council for just about ten years now. I've been vice chair for the last couple of years with Justice Chin.

The council is faced today with some choices that will have profound consequences not just for the CCMS program, but I believe will have profound consequences for the future of all technology initiatives for this branch. It might be helpful in making those decisions to have a little historical perspective on how and why we began the project to correct some persistent misinformation about CCMS and to summarize where we are today.

I would like to start by reading from a letter written by former Chief Justice Ron George to then Governor Davis in March of 2000 recounting a meeting in the governor's office in December of 1999. The chief wrote, Dear Governor Davis, I'm writing in response to the request you made to me in our December 1999 meeting regarding the state of technology in the judicial branch. You raised a number of concerns about the use of technology in the judicial branch and outlined your goals for use of technology in the court system. You expressed significant concerns that the Courts' information systems had developed in a piecemeal manner -- generally, and our public safety specifically. We discussed that in many of our court jurisdictions multiple incompatible court information systems exist, inhibiting the ability to communicate with local criminal and civil justice systems. In addition, courts are not only unable to share information across departments in the same county or across county lines, they are often unaware they are handling related cases. You stated that the state's priorities include developing integrated systems at the state level. They must improve information sharing such as that required for improving the abilities of courts to share information across jurisdictions. You clearly asserted your desire to reduce duplicative efforts and expenditures, to develop processes that make court information more readily available to those who need it. You made clear your expectation for central coordination of technology efforts by the Judicial Council and your intent that Judicial Council be accountable for its actions. In conclusion, you stated you were not willing to fund good ideas that simply perpetuate an effective and costly system.

The governor was right, he was right then, and those concerns and statements remain true today. We had and still have a myriad of largely county base systems that were and still are incompatible. In 2000 the Judicial Council adopted a plan that included a requirement that technology will enhance the quality of justice by improving the ability of the judicial branch to collect, process, analyze, and share information, and by increasing the public's access to

information about the judicial branch. The council directed the AOC to ensure greater efficiencies in the delivery -- administrative, technology and infrastructure efficiencies throughout the judicial branch. The council also at that time adopted the branch tactical plan for court technology.

In 2001, the AOC did a court by court assessment to determine the viability of existing case management systems. That assessment concluded that most of the case management systems then in use were severely deficient and did not provide the basic functionality needed. A number of courts faced urgent needs because of outdated systems, inefficient technical support -- and significant maintenance costs. The condition we still face today.

That year the branch also received one time funding in support of several initiatives detailed in the tactical plan. This included 21 million dollars provided by the legislator from the state general fund for initial seed money to be used for a development of a regional case management system for the trial courts including the Superior Courts of Los Angeles, Orange, San Diego and Ventura counties. That is the only funding the legislator has ever provided us for development of case management systems.

After that funding was provided, a January 2002 meeting of the Southern California Regional Superior Court leadership and the AOC focused on strategies and proposals for case management system initiatives using this initial funding. Initially there were several competing proposals from different courts, but the meeting concluded with unanimous agreement that first a single comprehensive case management system would be purchased or developed. It would meet the requirements of the California courts and be configurable for any size court in the state. Second, the authority to pursue the single solution would be delegated to the Southern California Oversight Committee -- it would be renamed the CCMS Oversight Committee. The CCMS -- committee was also formed at that time.

The first phase of CCMS development began in 2003 with a new web-based criminal and traffic case management system, which is known as V2, developed under contract and based on a system known as vision, which had been used locally, and which was ultimately deployed in one Superior Court, Fresno, in July of 2006. In 2003, DeLoitte Consulting was selected as the vendor for a CCMS to include civil, small claims, and probate cases, what we know as V3. Design work was completed on that system in February of 2005. It's important to remember that this design was defined and developed from its inception by trial court judges and trial court staff with system requirements established in joint application design sessions by the people who will have to use the system.

Deployment began with small claims cases in San Diego and Sacramento in November of 2006, extending to other case types and other courts including Ventura and Orange Counties in 2007, with Ventura completing deployment in August of 2007. Since that time, the -- Superior Court -- in all locations in August of 2008. The current version is in daily use in these courts. It provides for e-filing and processing of cases, and now handles about 25% of the statewide civil case volume.

In 2006, the CCMS oversight committee that was then in place approved a high level plan to begin the process of unifying all case categories into one single application. In June of 2007. The development contract was amended to include the design and construction of additional case types. The incorporation of criminal and traffic functionality and the design of the ancillary components including e-filing and a public access portal. In 2007, the decision was also made not to deploy the V2 -- to any additional courts beyond Fresno in light of the short-term costs

that would have to be incurred in the anticipated completion of CCMS then by the end of 2010. Independent project oversight services were provided through the development phase by the firm -- the application coding was completed in August of 2009, and early adopter readiness assessments began for three courts in June of 2010.

In the three-year operational plan adopted by the Judicial Council for 2008, 2011, the council once again voted to support development and implementation of CCMS, with the stated goal of utilizing new and enhanced technology solutions for managing court cases, enabling data exchanges with justice partners, providing e-services, and creating venue transparency for increased access and better service to the public.

It was formed in November of 2010 and assumed its oversight responsibilities in January of 2011. The comprehensive cost benefit analysis for CCMS was prepared by Grant Thornton and presented to the Judicial Council in February of 2011. The CCMS core product completed product acceptance testing in April of 2011, and that's testing by court-based personnel, not by professional testers, meeting all exit criteria. Concurrent with our product acceptance testing of the external components -- K3 solutions and integrated systems diagnostics were retained in consultation with the Bureau of State Audits and the State Technology Agency to conduct an independent outside code quality assessment of the CCMS product and the CCMI appraisal of DeLoitte's processes. K3 concluded that it was well-planned and comprehensive, that the system architecture is scalable and has solid foundation, and that CCMS will perform as designed once it is deployed into the production environment.

All product acceptance testing was successfully completed in November of 2011 and the CCMS product was accepted. The readiness assessment and preliminary work required for deployment is virtually done. A functional design for release one, which incorporates over 80 legislative and regulatory updates, as well as enhancements suggested by our court-based testers, has also been completed.

The bottom line is, it works, it is ready to deploy, and there are courts ready and willing to deploy it now. We now have a comprehensive case management system owned by the judicial branch and based on modern architecture, not obsolete, which will first provide judges with critical information when they're hearing cases and making decisions about releasing criminal defendants, placing children in foster care, or re-unifying them with their parents, ordering custody or visitation, and issuing protective or restraining orders. It will create common standards for information integration and sharing between justice agencies and the courts. It will provide a unprecedented level of access to court information and court services to the public and to the bar.

Unfortunately, politics, both inside and outside the branch, continue to dominate any discussion about CCMS. We continue to hear very vocal complaints about past mismanagement and lack of oversight when a highly effective and capable program management office was put in place over a year and a half ago and a new structure has been in place since January of last year. Between that structure and the council's own internal committee, there is no program in the history of this branch and probably few in any branch of government that has been more closely supervised and scrutinized.

At a recent legislative hearing, they acknowledged that the AOC has put in place protocols -- that if followed, would address most of the weakness noted in its project management of CCMS. I cannot speak to project management before our current governance committee was formed.

What I can say is that today every single recommendation made by the California Technology Agency, by the bureau of state audits, and in the independent quality analysis, has either been fully implemented or will be implemented at the relevant stage of the process. There continue to be misstatements and misrepresentations about the costs we have incurred to get this point and the costs required going forward. We continue to hear in a claim that the AFC allowed CCMS costs -- beyond budget, and that we have been the victim of uncontrolled DeLoitte cross overruns. The fact is that all DeLoitte contract amendments were made at the request of the branch as the user requirements to the system were being developed and as anticipated when the contract was signed.

The often repeated assertion that we began this project with an estimated cost of 260 million dollars to develop and deploy a statewide case management system for all courts for all case types is simply untrue. I was on the trial court presiding judges advisory committee in 2007 and 2008, when he presented cost estimates for development and deployment of the system to us, and those estimates were consistent with what they are today, they're consistent with a budget change proposal presented to the legislature or presented to the legislature in 2009, I believe. The fact is that our development costs are what we have consistently told as council in the legislature, about 330 million dollars in development and deployment costs -- and of course, we have about 16 million in reimbursement from that amount due from DeLoitte over the past ten years, including V2 and V3 costs, and roughly 560 million dollars inclusive of maintenance and operations costs, all of which we have been steadily reducing.

The fact that is that our PMO staff was able to successfully complete product development for CCMS despite the fact that CCMS has been on a life support budget for the past three fiscal years and despite the fact that we have redirected over 171 million dollars from CCMS development to trial court operations over that same period.

Just yesterday, the local legal newspaper, The Recorder, published a statement referring to the report that you have in front of you now, claiming that "A report found that the cost of deploying CCMS to just 11 of the state's 58 trial courts would cost 1.2 billion dollars over the next ten years." The ignored fact in that statement is that our baseline costs if we don't utilize CCMS over the next 10 years will be 1.133 billion dollars. The fact is that our budget cost to deploy CCMS to 1151 courts, a highly front loaded cost, is about 342 million dollars. The fact is that we will start to see annual cost savings in about five years, and the fact is that our net cost for deployment over the next ten year period is projected to be about 67 million dollars.

The fact is that we now have a system that can literally transform the quality of justice rendered in our trial courts by providing the public attorneys, judges, and litigants with immediate access to case information. State agencies that interact with the courts, including the Department of Justice, the Department of Social Services, the Department of Child Support Services, the California Highway Patrol and others, will for the first time have the ability to interact with a single case management system to improve efficiency, to eliminate redundant data entry, avoid data entry errors, and reduce system costs.

We now have the capacity to transform court operations from a paper-based process in which response time is measured in days, to an electronic environment in which the response time is immediate resulting in savings across all courts. We have the opportunity to bring the service levels provided in the California Court System into a alignment with the service quality that's been achieved in the private sector and other areas of government with electronic filing and electronic calendars, self-service case inquiries and self-service payments.

The challenge we now face, of course, is finding funding necessary to make all of this a reality, particularly in light of the cumulative effects of crippling cuts to the judicial branch that have seriously impaired our ability to provide even basic services.

The reality is that we will struggle this year trying to recover even a small part of what we have lost, and we face the threat of truly catastrophic cuts depending upon the outcome of the November election. That reality means that moving forward in any meaningful way with CCMS deployment in the coming fiscal year is virtually impossible. I think we all recognize that it simply isn't feasible, but the reality is that there will be a high price and a price not just quantifiable in monetary terms for any of the choices that we make. If we continue to invest in the future of the branch, we will pay a price for the delay that we now face. We will pay an even higher price in my opinion if we choose to ignore the reasons we made this investment in the first place, and we will find ourselves far worse off than when we started without any viable solutions in all but a very few courts, and with our ability to pursue any meaningful technology initiatives at the branch level severely compromised, if not completely crippled, and we will pay a very high price indeed, and the public we serve will pay a very high price if the decision we make today is to retreat from the vision of a modern, coherent and coordinated justice system, if we allow parochial self-interest to define our goals, and if we surrender our future for temporary expediency.

>> Thank you, Justice Bruiniers.

>> Justice Bruiniers, thank you very much for that summary of where we've been over the past 13 years, and what we've attempted to do. I have just one question. You mentioned just a moment ago, I think you mentioned the amount of 67 million dollars for deployment over the next how many years, sir?

>> The -- in the Grant Thornton report that you'll hear presented shortly, the conclusion is that our net cost over the 10-year period to deploy CCMS in that 11-court deployment would, taking into account the cost savings to be generated, be about 67 million dollars over that period of time. The problem of course is that the 342 million dollars that we would need to budget to do that again is front-loaded, and it's front-loaded not just for those courts but also to have the capacity to add additional courts.

>> All right. Thank you. That helps. Thank you, sir.

>> Thank you.

>> Any other questions? Discussion?

>> Thank you, Justice Bruiniers, for that historical background.

>> Council at this time we're going to take our 15-minute break before we move on to our next agenda item, which looks like an approximate hour and a half presentation. So we will stand in recess until 10:45. Thank you.

[Brief recess]

>>> Thank you, Chief. It's my honor and pleasure to introduce to the council, Associate Justice Ming Chin of the California Supreme Court and chair of the CTAC advisory committee, who has been with this project from long before its inception. Justice Chin.

>> I want you all to know that I was just mistaken as a reporter for channel 7. If you would please speak into the microphone. Thank you for the opportunity to speak with you today. You have a major, very difficult decision that is going to be in your lap shortly. I told Justice Baxter that I'm grateful that you cannot kick it up to us. As Jim said, I've been working on this for a long time. As you make this -- I am not going to give you a recommendation. You have choices in front of you, you have three very difficult choices, as you make the decision, I would like you to do what I did 12 years ago. And think of what kind of judicial system you want to have in California in 12 years. I realize that is not easy, because you have to decide in the next three months, six months, the budget consequences of your decisions. But your decision also affects what kind of judicial system we will have in California in 12 years. Do you want a judicial system that is a meat grinder where everyone that has contact with it -- do you want a judicial system that is a barrier to anyone that has a problem when they come to the courts? I agree with the people behind me that came before you and said that you ought to think about the people in the court system and the people that use the court system, but I disagree with the young man who said they don't care what kind of computer system you use, because the kind of technology that California uses in 12 years will have a large impact on the kind of justice you are able to give to the citizens of California. 12 years ago, I thought we should have a paperless court. My colleague said, oh, I can't get along without paper, so I said how about paper on demand? Well, maybe.

We're not there yet, but we're on the brink of getting there, and we -- whatever you do today, I hope you will have a plan on how to get there, because we cannot continue to have a court system that is bogged down in paper. It makes -- okay, I got an e-mail from an attorney this week, he knows I'm the chair of the technology committee and I said, why don't we have mandatory E-service. He didn't even ask me for e-filing. He said give me E-service so that I can serve the people that I deal with electronically, maybe I set my sights too high. A couple of months ago I -- complained about the paper system that we have and one attorney in San Francisco raised his hand and said, Justice Chin, can you just get San Francisco to have fax filing? Maybe I aimed too high. You have a difficult decision. I don't envy you, but I ask you to look to the distant future, because the decision you make today will affect the entire court system for years to come.

I was impressed with Jon Streeters' presentation from the State Bar, because he talked about it from the vantage point of attorneys and I practiced law for 20 years before I became a judge, I sympathize but think of not only the attorneys but all of our justice partners that have to deal with our system. The department of motor vehicles, with traffic tickets, I think we should have electronic tickets. As I've told many of you, it's the highest volume paper of any part of our court system, why isn't it electronic? So we started pilot systems, but I'm sure those will blow up in our face as well. I hope that eventually we get to an electronic system so that lawyers can handle their practices more efficiently, so that their clients are not billed for extraneous time in the courtroom, I hope that our justice partners will be able to deal with our court system electronically, so how we get there will be up to you. I wish you God speed.

>> Thank you, Justice Chin.

>> I was there downstairs in this very building when I stood in Jon Streeters' shoes and you rolled out the vision that we're now talking about today. So thank you.

>> Thank you.

>> All right. Chief, I believe we're now going to hear Grant Thornton's report, walk through Grant Thornton's report.

>> Before we start, I just want to alert our listeners on the phone or otherwise that we'll be using the PowerPoint for this presentation I understand.

>> Correct.

>> Thank you.

>> Good morning, chief, members of the council. I am Christine Patton, I'm the regional administrative director, but also I've worked with Grant Thornton as the project manager for this contract and I'm here to introduce this item. Before I do so, I want to acknowledge the tremendous amount of work and support the IS division and the PMO staff have given to the Grant Thornton staff in the course of their -- of the company's gathering of information during the research and preparation of this report. Many of those people are here in the audience today. I'm sure many more are listening. I wanted to give them that acknowledgment and I'm sure Graham would acknowledge they put a tremendous amount of work into this report.

>> As Justice Bruiniers stated Grant Thornton was originally engaged bit Judicial Council to develop a cost benefit analysis for deployment of CCMS to all 58 courts. The final report was released in February of 2011. Subsequent to that report, due to the continuing challenging economy, the Judicial Council wanted to explore other options for deployment and in December of 2011, Grant Thornton was engaged for a second scope of work that included the following activities. Review and validate the AOC's costs and assumptions related to deployment at a single earlier adoptive court. Identify up to 10 courts for a phase two deployment and develop the estimated costs and three develop a cost benefit analysis for deployment to San Luis Obispo and the 10 phase two courts which a total of 11 courts. To my left is Graeme Finley. He's the director. He has over 19 years of experience providing consulting experiences to public and private sector organizations in the United States and Europe. He has experience in IT strategy, investment, management, business case analysis and acquisition support, as well as custom and package software development integration. I'm going to turn this over to Graeme so he can walk you through the slide deck, and then he will be open for questions.

>> Okay. Thank you. Good morning, everyone.

>> So what I would like to do this morning is give a summary of the -- (Inaudible) -- deployment plan and cost benefit analysis that we've recently completed. What I want to cover the following items. A little bit about the purpose and scope of our work, Chris has already sort

of given an overview of the major components of the work the recommended deployment strategy for the San Luis Obispo early adoptive court and 10 additional courts. An independent assessment of the AOC's estimate in the budget required to implement it at the San Luis Obispo court. And then of course benefit analysis for this partial deployment scenario compared to a scenario where CCMS is not implemented and each of the courts has to implement an independently -- their own case management system some time in the next 10 years. I'll then present a brief summary of our conclusions. I hope to spend about 60 minutes going through the material and time left after that for questions. If anyone understand anything that I'm covering, please stop me and we'll cover it right then.

>> In terms of purpose and scope, the work we've completed can be summarized in the following steps, we started out by independently reviewing and validating the AOC's budget assumptions for the San Luis Obispo deployment, we identified 10 additional courts to participate in an initial deployment of CCMS V4 after San Luis Obispo, we estimated the deployment costs for these courts, so this is both the one-time deployment costs for those courts, plus the ongoing maintenance and operations to keep those courts in operations on CCMS V4 -- fiscal year 2021. We estimated the benefits associated with deploying CCMS V4 to those courts and then finally we made an estimate of the return on investment of deploying CCMS V4 to those 11 courts. Versus not deploying CCMS. Now, I'm going to cover the deployment strategy piece first and go through that relatively quickly and then spend the balance of the presentation on the numbers. Where a lot of the interest lies. Most of the presentation to the economic return and budget analysis pieces.

So an overview of the process we went through to come up with the deployment strategy. What we wanted to do was identify a representative group of courts that would both demonstrate the utility of V4 as the branch as a whole also beneficial to the branch to deploy and it comprised of the following steps. We started by evaluating a step of evaluation criteria by which we could determine which courts. Those are the 10 courts after San Luis Obispo. We then developed an initial candidate list that could be included in that phase two deployment. We had 20 to 25 courts started on the list. We then reached out to all of those candidate courts to determine their willingness and suitability for inclusion in that phase two deployment and then based on that analysis, I'm looking at the evaluation criteria, we selected 10 courts for inclusion in the phase two deployment. We then grouped those courts into two sub-phases, each of which has five courts and those two groups of five courts would deploy, so I'll go over that process a little later. We defined a high level deployment sequence and timeline for that recommended set of courts.

>> Can I interrupt you just for a second?

>> Whoever is on the phone, if you could put your phone on mute, it's causing difficulty here to be able to hear the speaker, so thank you.

>> Okay. So let me talk a little bit about the -- how we chose them. There are three main criteria we looked at. The first was court size. In general larger courts are more likely to generate a positive return on investment on V4 than small courts but we also wanted to include a representative diversity of court sizes, so we were trying to achieve a balance there. They were considered a good candidate because of the opportunity to reduce or eliminate the annual costs of maintaining V2 and V3 while those courts are still on those system. We looked for courts that

had a critical need. Any courts that would need to fairly soon replace their current case management system were considered a high priority. Now, another point I want to make is that all of the courts we talked to were very gracious in sharing their time but one of the things that we made clear to each of the courts as we talked to them that were -- were that talking to us about this and being included in this assessment did -- commitment them by they were committing to implement. This is our recommendation of what the courts should be, it doesn't imply that the courts that were identified have agreed to implement. In a certain sense, they are competing, because if we -- for example, were to choose a critical need court which is relatively small, we're then sacrificing some quantitative return on investment that might have been achieved by choosing a larger court. In the end we achieve a balance, but we won't be able to fully meet all of them.

So this next slide shows the list of 10 courts that we selected. I'll just one run through them quickly. In alphabetical order. (Indicating).

This selection covers all of the V2 courts plus almost all of the V3 courts and also has several courts that identified a need to replace their case management system and also we feel has a pretty good diversity of court sizes. In terms of the scope for the deployment of each court. In general, getting the largest possible case volume is going to improve the return on investment. So wherever possible we wanted to have all case types transferred on to V4 and with the sole exception of Ala made. In all of the other courts, all case types will eventually go on to V4 and for most of the courts we assumed that implementation would be implemented in a single release over the course of at least a several month period, they would specific circumstances of those courts we projected more of a phased implementation, where they would implement a certain group of case types, wait later, and then implement another type. They have two phases to their strategy. So the overall timeline that we came up with, there are really three major groupings of courts here. What we're labeling phase one, so that's San Luis Obispo and that would start in September of this year and complete around February 2014 and then the phase two courts are divided into those two subphases. So 2.1 is five courts and they'll mostly deploy in the spring of 2015. Except for the second part of the San Diego release that wouldn't be until early 2016 and then phase 2.2 which is the second five courts and they'll deploy mid-2015 to early 2016 except for the second parts of the Ventura and orange deployments which would be towards the end, 2016. There are several key elements of this that I want to just highlight, so going to the next page. There are things that I want to bring out.

The first is in general, for all of these large IT projects, it's a good idea to create off ramps at key stages where you can take a critical look where the project is going and make decisions about what the path is going forward. We saw a good point for considering a go, no go stage gate for this deployment around 2013. At that point in time the final testing activities of San Luis Obispo would be completing, but the deployment work would not have started. At the same time the planning and assessment activities for the next five courts would have pretty much wrapped up. Assessment activity for each of the courts in the phase two suite, where they would look at functionality and do a fit gap, and do a more detailed deployment plan. The conclusion of those planning and assessment activities would line up pretty well with the completion of testing to San Luis Obispo who thought that was an opportunity for Judicial Council to come back together and take a critical look at how it is happening prior to the actual decision to make the cut over and also get feedback from those next five courts how their planning and assessment work is complete. How they feel moving forward. Second key point would be with Fresno

going live in late 2014, that provides an opportunity to retire CCMS V2 and then the -- being used to fund the maintenance and operations of V2 can be transferred to fund V4 activities. We assumed that the maintenance and operations of V4 would initially be handled by DeLoitte on an out source arrangement but the that AOC would take over those responsibilities in the middle of 2016. That July one date is basically about a year after the first -- courts go live and been in stable production operations. You've got about an year of stable operations in a live environment then the AOC would take over maintenance and operations. There's a cost savings associated with that. Then the final court, there's an opportunity to retire CCMS V3 after October 2016. By the time you get all 11 recommended courts on board. -- to maintain V3 indefinitely on an ongoing basis, we would encourage the branch -- encourage everyone -- (Inaudible) -- by late 2016 so that the funds that are currently used to support V3 can be redirected to support the V4 maintenance and operations.

>> I just have a quick question. So for the couple of courts that are V3 courts that are not on your list of 11 courts. For those courts that have V3 if the plan is in October of 16 to decommission it or let go of at least managing it, would it be up to those courts to figure out if they want to do it in-house or some other way of handling it.

>> That's up to the council. We make no recommendations about specifically about what they should do.

>> Let's move on to the second piece. Over the last many months, the AOC has created lots and lots of different scenarios. Some in three courts, two courts, and some of them one court. The specific budget that we are using as our baseline we'll refer to the as the January 5th budget and its San Luis Obispo only early adoptive deployment plan. Our steps, there's three main activities to it, the first was mapping the AOC's budget categories in the way that they structured the budget to the state's economic worksheet format and for those of you who aren't family with that, especially the format that the state uses, they have a very specific spreadsheet form that they want all of the budgets presented in, we translated the information into that standard state format. The second piece was validate the assumptions underneath the AOC's. If we disagreed then we made revisions where appropriate and then finally out of the result of those two developing an updated early adoptive budget estimate and that's what I'm going to share with you this morning.

>> The first step was doing the translation, and the AOC's budget estimate for the San Luis Obispo deployment, it's generally organized by CCMS organizational units, it's more of an organizational break-down, the total estimate for that San Luis Obispo deployment over three years was 102 million dollars. So what we did as a very first step, we organized those figures into two major categories. The first category of those activities that actual court level deployment activities where work is being done at San Luis Obispo actually deploy the solution to that court and both one-time cost associated with that and there are ongoing indefinite costs associated with that. The second category is what we're calling statewide deployment costs. This is the establishment of the statewide enterprise level infrastructure upon which CCMS V4 will operate. That obviously is used to support the San Luis Obispo deployment but it's also designed to support multiple other courts afterwards and so it's a separate category and again, there are one-time costs associated with that and then also continuing indefinite costs associated with that. So I want to sort of talk about each of those.

Another thing that we had to do was translate the dates to match the deployment timeline that we just walked through. The January 5th schedule had some dates in there, the January 2012 start date for the San Luis Obispo deployment and then a completion in October 2013. The deployment timeline that we just reviewed has San Luis Obispo beginning in September 2012 and then deploying in 2014 and February. One item to note here, the January 5th early adoptive budget, three fiscal years, ours only crosses two fiscal years. The other point I want to make because I'm going to come back to this in a second is that because in our deployment timeline San Luis Obispo goes live in February of 2014, that's two-thirds of the way through the fiscal year. So if -- the switch is flicked and San Luis Obispo is live, two-thirds of the way through fiscal year 13-14. I meant to basically walk through line item by line item the most significant differences. The first is around hosting fees, the AOC had a set of assumptions around what the hosting costs would be at the California court technology center, the CCTC. Given that we developed a brand-new deployment timeline and a different set of assumptions about the time and the requirements for the infrastructure, we had to re-do that. So they could price that against their current contract with, they did that re-pricing and the hosting is about 7 million dollars less than in the AOC's original budget. No real difference in the basis for the numbers, just that we are working from a different set of assumptions because we have a different timeline associated with the deployment.

The second difference is that there wasn't an explicit line item for independent project oversight. In the AOC's budget, that's the best practice on any kind of project like this. We assume such a project would be required. We made an estimate of the funds required. About 5% of the total professional services fees. It would be an equivalent size -- 1.7 million dollars against the AOC's budgets. Other hosting activity going on right now. Some of the nonproduction environments. There were revised assumptions now in terms of how that will be priced and who is actually going to be doing that. We adopted that had the net pack of saving. The biggest material difference in the numbers was related to the estimate for the maintenance and operations professional services that DeLoitte would provide for the first several years of the implementation. The AOC had a methodology that assumed a full maintenance and operations team would be required at the point that San Luis Obispo went live. We questioned that, we thought it was probably more realistic that the DeLoitte team would scale up over time. Start off with a relatively small team and build up over time as more users are brought in. We had a number of conversations with the AOC about that. An agreement about what an appropriate number would be, saving a significant amount of money in terms of the estimate of maintenance and operations cost in the DeLoitte contract. It ended up being about 17 million dollars that our estimate was less than the AOC's January 5th estimate.

The final, what I would call substantive difference was that the -- Justice Bruiniers I think referenced earlier CCMS release one, so that the software as it stands today is based on a set of design requirements that were frozen a couple of years ago. You have to have a stable set of code, so you can't be changing the code all of the time. The actual design requirements do not include a whole host of legislative changes that have happened in the last couple of years. In addition, there are a number of enhancements that they would like to add to the software. That's what CCMS release one is called. The design work for that is ongoing, to actually complete those changes to the software, there's an estimate of around five million dollars it will take in additional funds to get CCMS release one, the software ready to go into San Luis Obispo.

>> So that five million dollar figure in the January 5th budget was assumed to be covered by the DeLoitte delay reimbursement, we did not assume that, we added it explicitly in the budget. I missed one of the line items. There's a risk contingency fee of approximately 10% of professional services and about 3.5% of the hosting fees that the AOC included basically to take care of unanticipated costs. We thought this was a reasonable amount. So we used the same percentages, but because we had changed the actual amount of professional services fees and hosting fees in our assumption when we applied that same percentages, it ended up about saving about 1.8 million dollars in total.

>> So those were the main, what I would call sort of material substantive differences in terms of either change to assumptions or differences in basis for making the estimate. The last line item I'm putting in here, it's really more of a definitional question about what do you mean about an early adoptive budget. As we were going through the work, we recognized that some people were asking the question what does it actually take to implement CCMS before San Luis Obispo. How much money do we have to spend before we flip the switch? That's not the same question that the AOC was answering, what they were saying is this is how much you need to fund CCMS through these four fiscal years, even though there's maintenance and operations costs in there on top of the deployment costs. So we wanted to present both versions of the numbers. So on the next page, I'm going to sort of show you what I mean by that. In terms of two different ways of looking at the number.

>> They estimated about 13 million dollars -- 45.5 in 1213, 44 million dollars in 1314 and that adds up to about 102 million dollars in total. Our estimate based on revised assumptions for those same three fiscal years -- so that we estimate in order to fund the San Luis Obispo deployment through the end of fiscal year going to be around 81.5 million dollars. But if all you care about is how much money do we have to spend to flick the switch, that's about 56 million dollars. Obviously you can't just flip the switch and stop spending money, but for those of you who wanted to know what that number was, that's the number. But probably the most important difference to look at is that our net estimate what it would take to implement -- early adoptive employment is 81.5 million dollars which is about 19 million dollars less than the AOC estimated. Plus we did not take into consideration any money coming from the DeLoitte delay reimbursement, we assumed none of that money was used.

>> So I've made the -- I want to spend a little bit of time talking about what's actually inside of those numbers and how to interpret them, it has a barrier on what we're going to talk about later. When you look at that numbers, all of them contain four categories of costs, what I refer to as one-time costs. These are the costs to deploy CCMS, and you spend them once. You don't have to spend that money again. Then there are continuing costs and these are costs that you incur on a monthly and annual basis for as long as the system is in operation. Similarly there are court level costs and state costs. In this case San Luis Obispo. There are statewide costs and that's the cost related to creating the enterprise level infrastructure that CCMS resides on and that is used to support all of the courts that are working on CCMS. I'm using the 56 million dollar number here for illustration purposes in terms of understanding the differentiation between these types of numbers.

As you see, based on our estimates, to deploy CCMS V4 to San Luis Obispo, only about 9.5 million dollars of that money is being spent actually to deploy it to San Luis Obispo. The other

46 million dollars is being spent to build and maintain the statewide infrastructure. I want to talk about that a little bit more on the next slide in terms of what that really means. Because of the fact that San Luis Obispo is a single, you know, not very large court, you end up with a huge disparity in the amount of money you're spending on statewide investment costs versus court level deployment costs. So I've got -- on the left-hand side of the page that shows the proportion of court level versus statewide costs for phase one. The San Luis Obispo, and as you can see, as I said, almost all of the money is really being spent on statewide investment, there's very little being spent proportionally on deploying to that particular court. Once you get there, things switch around so significantly, now you're spending a lot of money on deploying to the Court and a relatively small amount of money to deploying it to maintaining the infrastructure, the same as you get to phase 2.2. Again, a lot more money is being spent on the actual court level deployments and relatively less on the statewide infrastructure. You'll see that the numbers go up by varying degrees, as well, and that the state wide costs are increasing, but they're not increasing as fast as the court level costs. And that's because once you've built that infrastructure, you've built it, it does have to scale up more, but you don't have to be spending the same amount every time as you add additional courts.

That was the point, you build it once, you can utilize it many different times. Similar view of the same data on the right hand side of the slide. If you look at the cost per user, for just San Luis Obispo, it's really, really high, because you're spending all of that money and very -- is actually on the system. The number goes down significantly once you start adding additional users, and were CCMS to be deployed further than that, that trend would continue. The system is cheaper per user. It gets progressively more expensive the fewer people you have on it. So to sort of give a summary of our conclusions. In terms of the AOC's estimates, many, if not most of the estimates were the assumptions behind it were reasonable. There were some that were just based on out of date data, as we were revisiting this in February, we realize that we had to update things like contract pricing had changed. There were a couple of areas where we disagreed. There were a couple of what we considered required costs such as independent oversight in the release one software that were not explicitly included in the AOC's budget and so we added them. We also try to make the differentiation between the 81 million dollar cost that we estimate to fund San Luis Obispo's deployment versus the cost just to flip the switch and get it implemented. But either way, this is sort of I guess the bottom line is the bottom line here on the slide, given the cost involved in deploying CCMS, which is far larger than you would ever spend deploys a single case management system to a single court, the deployment of CCMS V4 to San Luis Obispo really only makes sense if the branch also intends to deploy multiple additional courts to a statewide CCMS infrastructure, it was always designed to be a statewide system or at least a system that has a significant fraction of the statewide case volume on it and the numbers only really work if you have a significant number of the statewide case volume running through the system. Deploying one court on to the system doesn't really make sense economically.

>> So with that, what I would like to do is move on to the cost benefit values that we did to look at the 11 court deployment. So this is the early adopter, plus the -- the 10 phase two courts. I want to spent a little bit of time talking about the process. For anyone who is not really familiar with the way state scores -- capital investments or -- feasibility study report format. This process can be character intuitive if not confusing. We end up throwing big numbers around and it can get pretty easy to interpret what those numbers actually mean. I want to talk about the actual process before we start talking about the actual numbers and I encourage you, if I'm losing

anybody along the way, please stop me and we'll sort of make sure everybody is sort of with me slide by slide.

>> The state process for judging between alternative IT capital investments comes down to projecting different versions of the future. Until you identify a couple of different scenarios in this case the two scenarios were looking at deploying it to 11 courts, and maintain those courts through FY 2021. The other alternative is cancel CCMS and do not deploy CCMS to any of the 11 courts, each of those 11 courts will be assumed to have to do something themselves by 2021 to replace their existing case management system. V2 and V3 still exist. You're going to have to continue paying for those systems through the period of 2021. For each of those scenarios what the process requires you to do is think of all of the costs that are associated with those scenarios. Have to include obviously any one time deployment costs, if you're building a new system, whether it be CCMS V4 or the courts implementing individual system, how much is that going to cost, that's part of it. You're also going to have to spend money on your existing operations for the systems that are in those 11 courts. You can't stop spending that money. So you have to include all of the continuing operations costs for every system that -- until that system is retired. That includes any money that the AOC spends supporting V2 and V3. That's all of your IT costs. In addition to that, you have to consider all of the non-IT what's called program or business process costs and these are all of the activities to actually carry out case management related functions in the courts. To things like case initiation, background checks, calendaring, administrative inquiries, all of those things where people use or could use these case management systems, you have to estimate how much is that going to cost in the next ten years.

So you do that for both scenario, you add up all of those numbers together, how much are you spending in total in the CCMS scenario, how much are you spending in total in what we're calling the baseline, then you look at the difference of the totals, and that difference is what's considered on the return of investment, and that's what I'm going to take you through with basically those calculations and the difference on return on investments. There's a different set of numbers on the new funding that's required. To make this happen, there is a set of new money that will be required to fund V4. I want to talk about that as a separate slide to make sure we understand where those numbers are and how they fit into this overall total. So let's start with the IT costs for the CCMS scenario. So this slight here covers the total IT costs associated with deploying CCMS V4 to the 11 courts. So what it includes are the total one-time costs to implement CCMS V4 and there are two sets of one-time costs. The first row is one-time court level costs, so this is the cost to deploy CCMS at those 11 courts, the actual implementation of the CCMS solution, those 11 courts. This statewide one-time cost, that's that third row down there, that says we also have one time costs to build the infrastructure that will be used across those, and is going to reside at the court case -- the CCTC, that's about 25 million dollars. You add that up, you've got around 231 million dollars in one time costs that will be required to deploy CCMS V4. That's all new money that has to be arrived at. You also have continuing costs. You have continuing court level costs, these are the costs of actual operating and maintaining the existing case management system at the 11 courts. They have to continue spending that money until CCMS V4 is implemented at that court and those systems are retired. That's about 120 million dollars. You then have continuing statewide costs, so this is the cost of maintaining and operating V4. So some of that is new money, it's also the cost of maintaining and operating V2 and V3, you have to continue paying for those systems until those systems are retired. When you add that, and the 354 million dollars, at the statewide continuing costs, about

475 million dollars. So I'm throwing those numbers out I'm going to come back to them in about two slides. About 231 million in total one time spending across the courts and the statewide levels and there's about 475 million dollars in total continuing costs to current system operations costs, V2 and V3 and CCMS V4 when you add all of that together. That's the total amount of money that's going to be spent on IT related costs between now and 2021. That's the IT side of the equation. Before we get there, I want to address the question of, well, what's new and what's not new? Of that 706 million dollars, as I said, some of it you're going to have to spend any way.

>> There is new money required. And that money involves deploying the CCMS V4 solution to the courts, maintaining that solution at the CTCC, and so we've made an estimate of what that new funding requirement would be by fiscal year, it's very heavily front loaded and the reason is that we also assumed that as the system starts to go away, so V2 and V3 are retired the money that you're currently spending will go to fund V4. As existing case management systems at the courts, a large percentage of that money will also go to fund V4. We assumed a significant percentage of it would. The other assumption in here is that 100% of the court's staff time involved in supporting the deployment will have to be reimbursed by the AOC. That hasn't always been the case in the conversations that have happened with the courts. Many of them have agreed they could partially fund some of this out of their own numbers, but given the deteriorating fiscal of the courts, we assumed that the 100% of the cost would have to be reimbursed. You end up with about 342 million dollars between now and 2021 in order to fund the CCMS V2 and V3 implementation.

>> I want to talk about non-IT program level costs. The next slide talks about all of those businesses processes that happen at the court. I see CCMS V4, and as I mentioned before, we have to do an estimate of how much money will those 11 courts spend on those business processes in the next 10 years. How much will we spend on those same business processes if CCMS is implemented. Our total baseline projection, so that's the left hand column there, is that those 11 courts will spend on the order of 711 million dollars over the next ten years on business process operations around case management. This is people doing work and storage facilities cost is part of it. With the implementation of CCMS V4, we project that those numbers will go down over that period. That's a net benefit of 216 million dollars in efficiencies. Pretty much all of that is to do with taking paper out of the system. It has to do with having people who are currently moving paper around, who don't have to -- or do key entry any more. That's by far the majority of where those savings come from. If you take that with a baseline non-IT costs and the 494 million, non-IT costs, and you bring them all together with the IT numbers what you get is the next slide. So what I'm doing here is each scenario, the baseline scenario and then the CCMS V4 scenario, I'm taking the one time deployment costs that each of these courts would have to incur, the continuing IT costs projections of how much they'll have to spend maintaining their current IT systems over the next ten years, plus maintaining V2 and V3, plus maintaining CCMS V4, and then adding on top of that, the business process costs associated with people actually carrying out case management related business processes, that's what this shows, for the baseline projection, we estimated a one-time IT cost where we assume that each of the courts has to individually replace their case management system at some point in the next 10 years. The source we used for this was an analysis that an organization called the Amicus group did. If they had to individually replace their case management systems how much would it cost. They came up with a set of estimates. We used those estimates for the 11 courts we're talking about here,

plus an in addition we added court staff costs, because they didn't consider the natural cost of the court staff. We added an estimate for how much time the court staff themselves would have to spend supporting the deployment and so we came up with an estimate of 132 million for those 11 courts to individually replace their case management system sometime over the next 10 years. We came up with an estimate of 289 million dollars, that's the projection based on all of the money that the courts are spending today in maintaining their own -- their own case management systems at the 11 courts, plus the money that is being spent. You project that out over the next 10 years, you get about 289 million dollars.

And then finally, the continuing program costs, this is what we were looking at the on the prior slide, you project all of the case management work that's going on in the courts today to do things like initiation and background checks and so on. Those 10 courts projected over the next 10 years. When you add all of that together. You get 1.13 billion dollars. That's our total estimate of the baseline scenario, what will be spent in the next 10 years by these courts and anything related too case management of the 11 courts. Turning to this scenario. We have a total one time IT cost of about 231 million dollars, so that's the one time cost of deploying CCMS V4 to those 11 courts. Then you've got the continuing IT costs of both maintaining and operating V4, plus maintaining and operating V2 and V3 until those cost systems goes away, plus maintaining and operating all of the other systems, until those systems go away. That total is about 475 million dollars, and then you've got the program costs where we estimated how much would those court business processes cost. With the efficiencies that they would bring, that's about 494 million dollars. You add up all that together and you get about 1.2 billion dollars in total case management related spending at those over the next 10 years. When you subtract the two numbers, baseline, minus CCMS, you end up 67 million dollar difference. Over ten year -- time period, we estimate there will be a net cost to the branch of about 67 million dollars to implement CCMS V4 when all of the costs are taken into consideration. A couple of notes here. One is that we did not make any assumptions around new revenue sources. So we were assuming that there were no new fees on any of the kind of revenue sources that could be used to help fund CCMS V4. The other point is that this is only talking about quantitative – >> When you subtract the two numbers, baseline minus CCMS, I end up with \$60 million difference. Over that 10-year time period, we estimate it will be a net cost to the branch of about \$67 million to implement CCMS V4 when all of the costs are taken into consideration. A couple of notes here on those numbers. One is that we did not make any assumptions around new revenue sources, so we were assuming that there were no new fees or any other kind of revenue sources that could help fund CCMS V4. The other point is that this is only talking about quantity to benefits. This is just the numbers part of it. You had a number of people come up and talk about the qualitative benefits for V4 with access to data, visibility of test types. I think people did a much more eloquent job of that than I could explaining the qualitative benefits would be. We haven't, by definition, we haven't tried to quantify those benefits, but they do exist. There are some other benefits that are likely to be quantifiable in the future, but we're not able do it at this point. They're state benefits. They're organizations like child welfare services, the department of justice, and the department of corrections and rehabilitation that are likely to achieve efficiencies when their systems are complete and they're integrated have R. 4 that they'll get a level of efficiency, but they're not in a position to quantify it right now so we haven't assumed any of those quantitative concerns on this analysis.

One last item on this slide, I just want to highlight this \$343 million again. This is the new money that would be required, where this fits into the overall scenario totals. So as I've said, we estimate that about 342 million-dollar is going to be required in new finds from the deployment CCMS V4 to these 11 courts, then maintain it through 2021. All that, there's \$231 million in one-time costs, that's the number there. In addition, of the 475 million in continuing costs, all of the different types of maintenance that is going to happen, about \$101 million of that is new money to maintain CCMS V4. When you add that \$101 million of new operation and maintenance money to the 231 in one-time deployment costs, that's how you get the 342.

One other point on I guess the timing of the benefits. The chart here shows an annual estimate of the net difference between the baseline scenario and the CCMS V4 scenario each fiscal year, so what you see is as CCMS V4 is racking up costs for deployment, there's larger deficits in each fiscal year, then as CCMS V4 is deployed, the rate of return turns positive and we assume or we estimate that starting in about 1718, there will be a sustainable annual benefit of about \$33 million a year through '21, continue indefinitely for CCMS V4, so that would equate to sort of a break even for CCMS V4 of FY '22-'23. What I want to explain because it's confused a few people why there's big numbers in FY '16 and '17 that looks like big benefits. CCMS V4 is an artifact of the timing of the replacement in the baseline scenario of the case management systems of the 11 courts. We had to make an assumption about when those courts, if CCMS did not exist, when the courts would have to replace their case management systems. Based on what the courts are telling us, a lot of money will be spent in FY '16 and FY '17. It makes it look like that CCMS V4 has big benefits in those years. It's sort of an artifact for the numbers. Every year after that, it will about \$33 million benefit that will accrue to the branch on an ongoing basis for deployment of these 11 courts.

>> Graeme?

>> Yes.

>> Is part of the reasons, looking at slide 23, the baseline costs is high because there's an assumption that you're not leveraging modern technology, just the existing function that the courts would have when they transfer to an existing system?

>> Yeah. We tried to make a minimal replacement assumption that when the courts would replace the case management systems, what they do is replace what they had today with something that was of more modern technology budge what they would not do is implement a new document system, E-Filing or business reengineering, and that's consistent. We use the Amicus group studies on. This the particular set of numbers they used sort of what they call the midpoint of numbers and what we used in the analysis, assumed that the courts were not implementing document management. This is our extensive J.P. integration, implementing a new case management solution, so we would try to stay consistent with that.

>> So it would continue the more labor intensive paper process?

>> Effectively, they would stay status quo.

>> Does that mean if they were to install one of the other competing vendors out there that have those, that the number would be less?

>> Yes. So what would happen is the one-time IT costs would be higher because they would be spending more money to implement new technology beyond the minimal. The continuing IT costs might go up because they have an additional set of IT infrastructure to maintain, but the continuing program process would probably go down because they would be able to achieve efficiencies. Part of the dilemma we had was the million different versions of this you could choose, even among 11 courts, so we basically tried to pick what we considered the baseline, what is the simple status quo?

>> Thank you.

>> Mr. Finley, thank you very much for the report to a layperson such as me in your field it, seems quite comprehensive. Forgive me if I'm getting this out of sequence in your presentation, but a question does come to mind. Basically what we've been hearing during the course of your presentation is what it would cost us over the next 10 years if we decided later on today to vote in favor of what's been presented as option 1, if I'm reading this correctly, and one question that comes to my mind of some immediate concern, and I don't know, I was looking at page 21 of your presentation, I don't know if that answers my question, but if we did vote in favor of option one, have you been able to make an estimate to what option one would cost us during fiscal year 2012-'13, in other words, the fiscal year immediately coming up? It could bear on our decision here today.

>> Our estimate is if you decided to proceed with CCMS V4 along with this deployment model, that number on the top line there, you would need \$34 million.

>> Thank you. If we decided to pursue what's been presented as option 2, which basically is a one-year delay, whether it turned out to be a year or not, then pursued option one and maybe this is beyond what you were asked to estimate, maybe it cannot be estimated, but would that mean a year down the road, 2013, 2014 that we would be facing another \$35.6 million to go forward at that time?

>> That's not a question I would be able to answer. For one thing, you have to relook at the courts because some of the courts on this deployment schedule can't wait a couple of years. You have to swap out courts so the number also changed.

>> I understand the complexity of it, but do you have a general feel as to if the number would go down?

>> I don't.

>> Okay, thank you.

>> I think that's going to be addressed at a later presentation.

>> Thank you. If I got out of sequence on the meeting today, I apologize.

>> Estimated to be about \$21 million more in the long-term than this scenario.

>> Judge Rosenberg.

>> I don't know if this is the time to ask a cost benefit question or if I should reserve it for later. Would this be the time? Okay. Two questions. Obviously, all conclusions and opinions are based on the validity of the assumptions. We have to look at the assumptions. I'm looking at page 43 of your report, which is the cost analysis based on the Amicus Group and their study of the alternatives. This study was done a couple, three years ago, and you've broken down the costs for each of the 11 courts of the alternatives. Now, here is where I'm scratching my head and maybe you can help me. My court is about the same size as San Luis Obispo, Marin, and Santa Cruz, about the same size in terms of judicial officers and staff, case load, all that stuff. We're approximately in the same category. Your conclusion based on the Amicus Group's study and some other factors you've thrown in the mix is that those courts are going to wind up spending something every \$3 million over that 10-year period; correct?

>> Yes.

>> Okay. I have checked with my staff as to the cost of alternative programs for my court, full on case management system that provides E-Filing, you name it, that exist right now. They informed me that it will cost us \$500,000 to purchase it off the shelf, then about \$80,000 a year. So, if I figure that out over a 10-year period, that's about \$1.3 million. Now, I'm sure there are some other costs involved, although they assure me there aren't, but that's a big difference. Your number is two to one to the number that I've gotten. So, if my number is correct or more correct than your number be, that changes the equation, does it not?

>> It would. The reason we used the Amicus Group report is a couple of reasons. They base their numbers on a set of data from around 85 different court system implements that they've been through previously, but the implementation of the software. What we're trying to do as an assessment and come up with a reasonable number, the level of background that they had and the kind of material they were bringing it to made us think it's a pretty good set of data. I can't comment on your estimate, I don't know the facts behind it. But the level of case study they were able to bring to the material gave us a reasonable degree of confidence that this wasn't a bad number to be using.

>> I have one more question. The 11 courts, do we know approximately how that relates to all 58 trial courts? In other words, would these 11 courts when you compare say number of judicial officers or budgets, what have you, is that one quarter of all of the trial courts?

>> It is.

>> A third? What is it?

>> So, it's 27.4% of the total case volume of the state.

>> Okay. So let's just very roughly say it's a quarter of the trial courts. The estimate for implementing the 10-year cost for CCMS for those 11 is \$1.2 billion, if I got that correct.

>> It depends on how you're defining costs.

>> Would it be fair to say that the cost over ten years for all 58 trial courts would be closer to \$5 billion?

>> I don't know if you saw the cost benefit analysis that we did last year, but that's precisely what we looked at. We looked at what would the cost be to deploy over 58 courts over exactly the same time window. When we went through this again, the same methodology, we came up, it was in the region of about \$5.5 billion for the CCMS V4 scenario and about \$6 billion for the baseline, and that's how we came up with the benefit of about \$300 million. Again, that's including all of the salary for the people in the court. A lot of it is money would you have to spend anyway. The actual one-time deployment cost, the new money again was in the order of \$1 to \$1.2 billion for all 58. Proportionality we said in new money required. It's somewhere in the same ballpark.

>> Thank you.

>> Judge De Alba.

>> Thank you, Chief. I had a question on page 23 or 19 of your handouts this morning, your slide. If you go back to 19 where you have with the state defines as a cost analysis or cost benefit analysis, you have that it should include all costs so that you can determine what you're getting back on your investment, but I see just deployment costs on CCMS, and then back on page 23 when you compare the baseline versus the two scenarios of the V4 deployment, on the baseline on page 23 you have the costs of acquiring new systems like Judge Rosenberg mentioned. Why doesn't the deployment costs, the projection of the \$1.2 billion include the development costs of CCMS? In other words, isn't that part of the investment?

>> It does. Maybe I didn't communicate myself very well. This includes and what I'm referring to here are all costs, money to be spent pro basically July 1 of this year forward. I'm not considering prior year costs, but any money that would be spent from July 1st of 2012 through the end of fiscal year 2021. That does include all of the development deployment costs of CCMS V4.

>> So to be more accurate, this should say CCMS V4 development deployment costs to 11 courts?

>> Yes. It's basically any money that would be spent from July to those 11 courts.

>> Judge Herman.

>> Yeah. I think where we are here is that it's complete. So it would degrees die employment costs, not deployment costs, they're already spent.

>> Alan.

>> Same issue. If you're asking about the costs that we've already spent to get to where we are now, that's not included in this number anywhere. By the same token, if we went out and bought a system from somebody else, we would not be including the cost of that system being developed somewhere else. Is that a fair comparison in a sense?

>> If you wanted to include those costs, from an economics prospective, you spent that money, it's spent. Let's say it was \$500 million. If you wanted to include, that you add \$500 million to the baseline costs and you add 500 million-dollars to the CCMS V4 costs because you spend it in all the costs, so the number goes up but it still stays the same. It's still a 64 million-dollar difference.

>> Judge Kaufman.

>> I have a question. On slide 23 you're saying \$67 million is what it costs us. Your assumption is the courts are going to the same system. What if we put it into the he quacks, how does that change everything? CCMS has an E-Filing component. If the courts were to do that, how would that change the \$57 million figure?

>> I can't tell you. What I can say is that like the question earlier, the one-time IT cost in the baseline number would go up because it would be more money spent. The continuing IT costs would probably go up. The continuing product costs would come down. How much they would come down, I don't know. Part of the issue and the reason we didn't go this route is because we were asked to identify CCMS scenario for 11 courts versus not deploying. When you say, what do you mean by not deploying? There's a million ways to look at that we took the simplest possible of what we call the baseline scenario. It's easy to construct different scenarios and it would change the numbers, but we weren't able to do that.

>> It's a time element, too, you can't do everything?

>> Yes, that's part of it.

>> Judge Ruben.

>> Just so I'm clear. Looking at the baseline, the one-time IT cost we're looking at in box one under baseline so are the existing scenario, you're looking at what features and components the current software had and to replace it with a light type of software, or replacing it with something like CCMS?

>> We're replacing it with a light type of software that performs all of the case functions that the courts have today. It would not include a new document management system, unless the courts have a do you mean management system because some do and we took that into consideration.

If they have a document management system, if they don't, we would assume they would implement one.

>> The base of the costs, you didn't look or talk to anybody about specific pieces of software that might be cheaper than what this report said was out there?

>> Right.

>> Okay.

>> Any more questions or comments?

>> Okay, so let me move on to -- basically we're at the summary recommendations point here. So we looked at court die employment strategies in two phases. It would be complete in mid FY 16-17. We did an analysis versus the \$102 million that they estimated. We came up with a number of \$82 million, apples to apples, or 46 if you want to know what it takes to flip the switch on San Luis Obispo. We then looked at two scenarios, all of the costs involved deploying CCMS in 11 courts or all of the costs in not deploying CCMS. The scenario we came to about \$1.2 billion over 10 years. For not deploying CCMS, a total of 1.13 billion, that difference of about \$67 million is the effective negative revenue sources return on investment or if you like the cost to the branch. Although, CCMS V4 as these 11 courts would provide a continuing net annual benefit from '17-'18 and onwards of about \$33 million. Now, if the branch wanted to create a more earlier ROI, there's a few things that you could do. One is to additional large court or replace the smaller courts with larger courts, and that's basically because the larger courts may for themselves more easily. The more caseloads through the system, the better the numbers look. As you said, we were trying to achieve diversity with the size of the courts, but if you go with an all large courts solution, the numbers probably would have looked a little bit different. We did approach a number of other larger courts and the courts we had in here were the ones most interested in talking to us, so you would have to identify additional candidates of the larger courts that would be willing to go early budge that is an option. Probably the most significant single factor in driving the return on investment is the extent to which county and local justice parents are integrated electronically with CCMS. To the extent thank you can remove the paper from the process all together so that there's no new key entry on a case file, that drives a significant investment. That area is now in discussion with various courts and justice partners. The Counties are hurting now. They have significant fiscal challenges, some are unable to willing to commit the building and integration of CCMS V4 that would be acquired to allow that electronic integration to happen, but will you be able to increase the percentage of case filings that would be delivered electronically that would have a positive return on investment.

The last option would be basically to find the deployment up. We have it going live in late 2016. If you could do it quicker, then still within our 10-year cost benefit analysis window, you're going have more count to accrue benefits and get a possible overall return on investment. There's challenges. I think staffing up to do five courts at a time I think will be a challenge to the AOC. Doing more than that at a time or on a more aggressive basis, whether that's feasible or not, I don't know. In terms of any recommendations we'd have, if the council does decide to go ahead with the deployment of CCMS and some form to what we presented.

We have a few recommendations. The first is to revisit the CCMS government structure and the membership. In particular, you're looking at 11 courts that would come with CCMS and that would want to be driving the train. I think you would want to look at who is on the governments committees and who gets to make more decisions. Several courts that were are in there earlier deployment, perhaps have already identified some specific functionality that they would like to see in CCMS in the future maybe isn't there right now, so that's something we would recommend that the government's process enabled those courts to have the right kind of voice in driving the functionality and features of CCMS, even those that the court will be adopting. A staff recommendation would be to get a level of effort to configure CCMS for the very small courts. Those courts have a unique set of circumstances, particularly where you have court staff who handle multiple different types of case types. It's a different world in the very small courts. We recommend that we take those level into a consideration, whether you have to create what's been called a small court vision of CCMS, and just how much that level would be to accommodate the small courts.

Then the final recommendation, this is maybe a little bit of an internal baseball thing, but the way that the budget was presented, organized by pretty much by CCMS organizational structure, it's very unintuitive for people to understand who are used to the standard state budgeting process, so we look at reconciling that and maybe move it into something more common into other ways large state IT projects are done. I think communicating with them, if you're able to talk to them apples to apples. That's my presentation, so I'd welcome any further questions.

>> I don't see any hands raised. It was very comprehensive.

>> I'm sorry, one quick question, Chief. I recall from looking at the report from yesterday that in looking at the 11 courts that there was a conversion component in one of those. Did you assume that every court would convert and convert all of their data, is that the assumption that you made?

>> We worked with the information that we had, so we knew at least one or two courts were not going to do conversion. Where we did not know anything specifically, we did assume that there would be electronic conversion of prior data because it's a conservative assumption to make.

>> Okay, thank you.

>> Any other questions or comments? As I was saying, I had thought the report was very comprehensive and have you walk through it after reading through it ourselves is very helpful. If there's not any further comments on the report, I thank you and I would stand in recess to take a half hour lunch and return here at about 12:40 so we can take up the discussion of the options. Thank you.

>> We're starting then with item E on our agenda. This is an action item and I'll turn it over to Judge Herman and have the speaker introduce yourselves, too, for the record. Thank you.

>> Thank you, Chief. We'll just get right started and let the speakers go forward with

the three alternatives that we'll look at as actions today.

>> Curt Soderlund.

>> Mark Dusman, direct other of Information Services and acting director of the CCMS P.O.

>> Jessica Craven, CCMS P.O.

>> Rene Hatcher, I'm the senior manager over CCMS die employment, as well as E-business and justice outreach.

>> Thanks for all of the effort that's been put into this report and these alternatives in a truncated time period.

>> So I'm going to kick off this session this afternoon and I'll talk a little bit about the background about the CCMS fines. I'm going to go through the background, kind of how we change we report financials issue I'll step through the reporting model so everybody understands what components go into our reporting model, then I'll talk about CCMS costs.

So originally before 2007 and 2008, we reported where we only broke down the costs for CCMS in terms of the development costs, infrastructure costs and staffing costs. From 2008, 2009 forward we changed that reporting model to give more transparency and there had been a lot of questions around the two costs, the three costs, and what did the four costs. We started reporting -- we broke out so we could report for those, so everybody could determine how much and see how much those products actually costs. Along with that report, in line with the department of finance with how they report project, there's project costs, ongoing costs, then in 2010 and 2011, we added the cost of local courts, their staff of CCMS.

This is a high level overview of what goes into each component. The project costs which with one-time. There's ongoing which are just that, the reoccurring costs and the costs we have ongoing with the project, then the interim CCMS costs. I'll go through each of these in more detail. Let's go to slide five. Slide five focuses on project costs. These are one-time costs, they're the staff, development, all of the costs associated with the one-time project costs. Here when you see your numbers and you see project costs, we include V3 development, we include V3 deployment, we include V4 development, we include V4 deployment, then we have document management system costs that are also included. Ongoing costs, these are the easiest ones to talk B they're like maintenance and support costs. Here we included V4 maintenance and support and the document management support, management support costs, so you would expect they're quite small right now. Then the last category of costs are the interim CCMS costs. These include V2 development, V2 deployment, V2 maintenance and support, then they include a V3 maintenance and support costs much those three categories make up all of the costs related to CCMS that we report. Let's talk about our cost-to-date. This is through July, 2011, June 2011. Project costs which was mentioned earlier is \$33.3 million, and you can see the breakdowns. That's V3 development deployment, V4 development, then VS development.

The ongoing costs -- the interim CCMS costs for V2, development, deployment, maintenance and support are 185.7 million, so total costs up through June of 2011 were \$521.5 million. So the

current fiscal year, so for fiscal year 2011-2012, CCMS had a budget of \$34.9 million. So that was broken into two components. One was for in CCMS, the support for V2 and V3 that we provide in-house, the hosting charges, consultants, costs that go along with that, that was 23 million. Then there was \$14.6 million that was provided for CCMS. The project costs which were 5.7 million, and that was the remainder of the development and any hosting charges that were there and any costs spent for deployment. Then after we finished testing in August on CCMS V4, all those costs moved over to ongoing crosses, so it's 8.9 million for that. And then there was a question I heard earlier about what it would cost for just V4, just V4, for the... [UNINTELLIGIBLE]

You can see that number, it's about \$118 million over the last three years. That kind of sets the background and stage for what the cost up to now are or CCMS. Are there any questions that I can answer around that? Thank you.

>> I need to be here because it will be easier for me to present, okay?

>> Thank you.

>> Good afternoon, Chief, as well as the members of the council. I appreciate the opportunity to try and present to you what I understand of course is to be an unobtainable position. I'll report on three options today. These are the options that I realize that you'll be trying to make a decision on, so I'm going to, one, try to make sure I slow down when I talk, and secondly, I really do hope that as we go through this, you will make certain that if you have a question right then to please interrupt and ask me that question.

Secondly, I think that bits and pieces of this story which are the three options have been told today in different forms, and I hope that I can bring it together in context for what these three options are. So some of this you will have heard, but I'm hoping within the options it will really make sense. Prior to getting to these options, be the vision and goal around CCMS of course was to have this enterprise case management system. It was something envisioned for all of the Superior Courts. It was to address failing systems, had over 70 systems. It's also of course consistent with the direction that I believe justice has talked about from the governor, as well as the strategy by the Judicial Branch.

The benefits around having an enterprise CCMS for all courts, of course, is that judges and clerks learn to use one system. One of the things that Susan from the SLO court indicated to me that she could not wait to get to CCMS because if she had the resources from Santa Barbara who could be on it as well, they would be transparent. This one system ideal was very helpful for the trial courts in our thinking and planning. It also provides consistent service. You might even say standard services for the public, for the attorneys, and of course, state and local justice partners. The ideal around this benefit, of course, focusing primarily on the portal and what information can be available to those parties and they're the stakeholders to the entire judicial system. Other benefits include the cost effectiveness, as well as the consistency of when we have legislation. When that legislation comes through, what happens right now is that every court or every group of courts that are on a case management system, they're actually work independently to make certain that those laws are implemented much a lot of times it's around fees and fines, and there's a cost do that. Often they're working with their county or legacy vendor, or vendor of any kind,

and they have to, in fact, pay for that we do it differently. There's also delays when we do those laws simply because of the resources available for the vendors, so also the ideal of having the logs put in one time and have it move forward. Of course, the improved public safety has to be one of the most important pieces of where we are with CCMS. The fact that we can actually share data through CCPOR, which is the California courts protective courts registry with the DMV, with DOJ, as well as the department of social services and all of our local partners, having, I know that Judges have indicated the ability to be able to see something that has happened in another court in another county often may make decisions that they cannot make at this time. The data available for those judicial decisions, those are in fact very important and what one Judge can see across those courts may actually affect someone's life. It can be protecting protective order or some other crime that was committed and will help make a decision for that Judge. As well as the accurate reporting of our statewide information, the program has been in place for a tremendous amount of years. We have some courts that have electronic system that will report. We have some courts that mark tallies down on a piece of paper, then they have go through the system to enter that manually to get it in. There's inconsistencies in the data that's reported, and the ideal behind the statewide data reporting warehouse, which is a part of CCMS, actually gives us those accurate statewide reports. As mentioned before, the program status, this is where we are. Of course, we went through requirements that was actually gathering over 4,000 requirements from different members of different courts, judicial officers, justice parents, and of those 4,000 requirements we completed those, then we went into design. Of course, you've heard about Deloitte Consulting, LLP, they joined that product and we're now, in fact, complete with both the design and the development. That development effort was, in fact, millions of lines of code, and I wish I could compare that to something for thank you would be realistic to understand the amount of lines of code there, but it is done. It is complete. As both Judge Herman and the justice often talks about, this is a product that's been accepted, it's been validated, and it certainly has gone through rigorous testing which is independently verified. We're ready. Now the ideal is we need to deploy and deployment is the next logical step within the program. Our investment to date which is what Mr. Butler talked B.J. there's been four years developing before.

With both the design and then the development. The development effort was in fact millions of lines of code, and I wish that I could compare that to something for you that would be realistic to understand the amount of lines of code there. It has gone through rigorous testing which has been independently verified. So we're ready. Now the idea is we need to deploy. Deployment is the next logical step, of course, within the program. Our investment to date which adds on to what my esteemed colleague Les Butler just talked about, there have been four years in developing that before, through the requirements, the design and the development. We talked about the \$333 million that are in fact part of the project, and as Les mentioned, that is V4 development, money associated with some V4 deployment. We have tried to advance as much as we can, as well as the V3 development and deployment. In the investment we've of course had hundreds of participants from courts representing over 28 courts and of course we have had all of the justice partners from E filing service providers, the DOG, DMV, they've all been equal partners in helping us get there, and this investment is not necessarily something that's been quantified but it is tension for what has gone into and is now ready for deployment.

Our current fiscal reality which I think was spoken to is about our \$653 million that we have gone into for reductions over the last three years. That of course is a branch at a branch level.

And then in the branch, we have that's including the courts, by the way, the 653. 171 million, of course, has been redirected from CCMS to the trial courts over the last three years. This represents money that the trial courts have needed but it has taken away from the program as well to try and take that next step. Our program reality is that with the development complete, and as I mentioned and as many have mentioned, we are ready for deployment. They have completed three early adopter assessments, and just recently, in February, my team specifically took on the role of doing an assessment for the Fresno court. We did it at 75% less than what Deloitte did it and the Fresno court was thrilled with our deliverables and our activities we conducted.

Now we have a capable team and we know the tools that we can get more assessments done to determine how quickly, what kind of data conversion and what will happen going forward and how to better refine the dollar estimates that you've seen today. And I do recognize, and as I mentioned, I understand that these are unprecedented budget times, and so today's decision, I hope that these three options I can explain them in a way that will break all of this down and help you in a challenging decision.

So here are the three options. Let us go forward and proceed with deployment for the San Luis Obispo court. That includes the deployment of ten other courts. This takes into consideration the Grant Thornton analysis which says proceed with deployment, get SOL done and complete ten more courts. The second is the pause, we've heard a little discussion about that pause and what it means is we would actually take the activities offline for 12 months, cease everything for CCMS for 12 months, then get started again for the deployment of SLO and then the ten courts according to Grant Thornton. We've heard that that pause for 12 months equals almost a two year delay in the project. That is because if in '12 '13 we decide to pause, we need three months to turn everything down. Then we'll need ten months in '13 '14 to reacquire the staff, the hardware, bring the product back up and likely have to go to an RFP for another application vendor.

I think I've walked through this option. This is the option that really combines the work that the AOC has done with the recommendation from Grant Thornton. And Grant Thornton's strategy did try to strengthen the idea that the strategy has to balance certainly the fact that we have economic issues for different trial courts. We have a lot of diversity, as well as the different needs that happen when the constituents come to the judges.

>> I'm going to go back. The option for number 3, the third option, I apologize, the third option which is certainly will be quite a bit of detail is to actually terminate CCMS, the V4 product. It is in fact an opportunity for us to say if we put that aside as well, can we look at an analysis of leveraging that investment that we've put forth in putting this product together? I will walk through all three options, not just two. There was nothing I was not trying to do some mind tricks on everybody.

Let's go to the goals. The goals of action one were to address San Louis Obispo's failing CMS. Maybe in the July meeting, it could have been in October, Judge Crandall came and delivered a passionate speech about the decision in SLO, talked about the investment with their justice partners, and to give you a sense of this, our assessment of course is complete in SLO. We've already spent a million dollars with this court so that they could ramp up their staff, this is an inner branch agreement, we've already invested a million dollars so that they could have because they don't have enough resources.

The justice partners have reported that they are 40% done of doing their code on their side to match CCMS. They have of course ceased any further work until we have a decision. That was work and effort on the justice partners' side and that would affect the district attorney, the sheriff, and probation.

In addition, the branch the branch also provided 180,000 to the Court so that they could pay their share of that justice partner county effort. And so we have invested a lot of money but it's all about the fact that this Court has a failing has two failing CMS applications. We also want to try and leverage the investment of what CCMS is and that effort to actually do SLO so that we can do those subsequent courts. This is an important piece. Certainly SLO, that implementation is the foundation, and where we will refine some of the things that we will learn and go forward for the remaining ten courts.

This is also, this option, it does realize the return on investment that Grant Thornton spoke about. It does it the soonest, at the earliest point because you get started. If you start in 2013 you've seen the report and the discussion about when we can start to achieve a net positive and when we can realize savings. This option gets us started. But it also protects our investment. We've all spoken about that 333 million. Of course that covers a lot of pieces but we've invested it, so this protects that by actually utilizing it.

The scope for option 1 that we considered was that SLO would be the early adopter. If we begin July 1st of 2012 we will be done in the fiscal year 1314. That's an important note because of course getting started and getting it implemented, part of our idea here is that we try to project, but obviously our goal here would also be to get it in as soon as possible. It also, the scope of option 1 which I did speak about is that phase two includes the ten court deployment and the opportunity to retire CCMS, V2 and CCMS V3. In '12 '13 we project that V2 will cost the branch 6.3 million and V3, 12.8. The sooner we can move to actually retire those products puts money back to the branch to reinvest and to hopefully more deployments. In the ten court phase Grant Thornton predicted that would begin in fiscal year '13 '14 with a completion date of '16 '17. That's what this scope covers.

Beyond SLO where you have the courts, and I know we've spoken about them, Grant Thornton proposed two waves, the first, San Diego, San Joaquin, Santa Cruz, Mendocino and Ventura. Then the second wave, Alameda, Marin, Orange and Ventura. I think I said Ventura the first one, it's Fresno and Santa Cruz. You can see by the parens some are V2, several are V3 and retiring us early allows us to see the savings.

In this example where you see these courts, and I think that Graeme talked about this briefly but they are proposing are in the need of a full case management system. Alameda would like the criminal and traffic, otherwise we're talking about all case types.

As Graeme said, their estimation is \$342.6 million for the ten courts over ten years for the 11 courts. A lot of that money, of course, is heavily weighted on infrastructure. And in his slide where he showed the amount of money spent per court for the in particular for the early adopter, that was in the red color. But then the blue color emphasized there is an investment here. Grant Thornton's investments are heavily weighted on the infrastructure because this is an enterprise system. When we use the term enterprise it means that it is a complex interwoven application, and it will apply to all courts as well as our partners. We would call it an enterprise. This is in fact very complex. The GT study, I think you know it covered a ten year period up through 2021.

What they actually said was that we would start getting pay back in '17 '18. That was the 33 million that Graeme discussed. Once we start to achieve that then we're starting to get back into

the balance. The negative ROI for those ten years, of course, is still at a negative 67 million. What that means is in the ten years, we either, according to the recommendations from Grant Thornton, we need to accelerate the deployments, maybe we change out the courts and have larger courts. And then of course the break even that they estimate is in fiscal year '22 '23. That's how the cost breaks down for option one. And hopefully, I know that prior to lunch where now all your bellies are full, you had the presentation from Grant Thornton which was number after number. So I'm hoping that this at least breaks it down for what the deployment means in an option 1 scenario.

>> Out of the 342, in the first four years, 322 million is spent. When we say heavily weighted it's very heavily weighted in the first four years to build the infrastructure.

>> Thank you. When we talk about infrastructure we're talking about all of the network, hardware, the core application, the statewide data reporting warehouse, the portal and data exchanges have to be in fact there has to be technology and an infrastructure built at the data center or at a local court. That's what we're talking about when we call it an infrastructure.

Here's the impact of option 1 for your consideration. The pros, of course, are that we would run the SLO's failing CCMS situation as well as then moving forward with some of the other courts that are in a failing situation or will likely be in a failing situation. We continue to be able to leverage this enterprise investment, that's that money that we spent, the 333 million that we've put into this portion of the program, and we want to be in fact take advantage of that effort.

In addition, the other pro is of course we provide the integrated solution. And what that really means is that we are then interconnected with our justice partners, with our public, the self represented litigants. And and this integration, of course, offers unlimited amount of intangibles that you can't quantify in a dollar or a cost. But a lot of courts, Justice Chin spoke about the E filing, E citation, all the things that come with CCMS is all part of that integrated solutions.

The cons are high initial implementation costs because of getting started and trying to started and build an infrastructure for more courts. The other con is that you would be taking an impact on this fiscal year, budget year '12 '13 and the filing fiscal year '13 '14. And I realize that you have decisions around that, the funding issue, but what according to Grant Thornton, of course, that impact in '12 '13 is a 35.6 million to get moving forward and '13 '14 is at 84 million. That's the impact to your budgets.

Any questions yet about action 1 or shall I continue? Thank you, Chief. In option 2 we talk a lot about the same things from option 1. It's just putting the 12 month pause in front of it and still using the early adopter idea as well as Grant Thornton's recommendation around the ten courts that would follow. Here were the goals around putting this option together for your consideration. It would address the current fiscal reality. As we know we are in unprecedented budget times so this goal would be how do we in fact best manager to that issue.

It also would allow us to protect our investment because we would be, once we come out of the pause, be able to go ahead and move forward with deployment, the deployment options. But it does preserve the application so that there is a resumption once you get to once you're able to resume the deployment activities, the CCMS has somewhat been preserved, it's been put away, it's on the shelf, but you can bring it back and it does preserve that, the code. The scope, really, of option 2, as I mentioned, is a 12 month pause. So what that means is that all of those CCMS activities need to go ahead and be paused for fiscal year '12 '13.

What that means in reality and what that what I'm trying to explain with that one is that we would halt all program activities related to development, deployment, court action on V4. And what we'll see in option 3 is that this pause mimics what is also recommended in option 3.

The halt also affects our permanent staff, our vendor contract with Deloitte, our vendored staff and all of the V4 infrastructure that currently exists in CCMS. There also is of course the technical infrastructure at CCTC. They don't have an option where we can just put it to sleep. It is either it is up and working or it is dismantled. So that would be our option in a pause.

During once we get to fiscal '13 '14, and I did mention this, there is of course a ramp up of the kinds of resources that it takes to bring this product back into a viable option. And the re you have to acquire new hard ware, new software and to all of the work to build up that we've done, but you would have to replace that work and have to do it. We've estimated that would take about ten months because you would have to not only reacquire the talent, you'd have to train them. You would, as I mentioned, build out from the ground up the technical infrastructure as well as we'd have to certainly reassess the Court's readiness as well as any other justice partners' readiness and of course we'd have to reevaluate most of the deployment plans to make sure how can we do this efficiently.

>> Excuse me. Just for this last point, this is Judge O'Malley, why would you have to retrain it is a ten month, a year period and really honestly, retrain, almost like starting from Ground Zero?

>> Yes.

>> Why? (inaudible)

>> This pause, what it does mean is that to actually get the money back in the fiscal year '12 '13 that it means you bring CCMS and all of its activities down. It's the only way to actually realize any fiscal savings. It would cost about 2.7 million to just bring it down. As compared to, as you can see, Grant Thornton is estimating we need 35.6. So you either spend the money to go forward, but if you want those savings, then the only way to pause CCMS is to lay off people, get rid of the vendor staff to actually unplug and undo everything. It is the only way to actually get those savings. Sure. Okay.

And the Grant Thornton plan is to pause the activities, wait for the resumption that will take most of '13 '14. If that occurs, then with the deployment plan in '14 '15, it means that the activities start to resume in '14 '15, being done in 15 16, and then of course you would have also begun phase 2 to be completed in fiscal years '16 '17.

>> Renea, I know we've been in code freeze for a year and a half, something like that? So in addition to having to, you know, retrain, rehire, you know, ramp up, build the new system, so forth, you'd also have to go through the code again, presumably all the legislative changes that have happened since code freeze started to whatever date you finally start resuming. All that has to be, you know, programmed into the system. You'd have to do a certain amount of refresh on the application; isn't that correct?

>> It would be correct. As we spoke earlier there is an estimate of about \$5 million right now to get that work done. We have actually had four years of legislative updates that have been on hold through the design. And the during a pause you would of course add at least one more

year to that. So part of deferring and then ramping back up is to in fact do all of that work. That would have to occur as well so that the product would be ready. Was there another question?

The cost, of course, for option 2, what we can defer is that 119 million, almost 120 million could be deferred until you are ready to actually stop those activities. That 120 that comes from the 35.6 million that Grant Thornton indicated for this '12 '13, the budget year. And 84 million during the '13 '14. So what we assumed was those costs come up, they're deferred, you don't spend them, then shift them. There would be some churning over those numbers but in theory we say pick them up, you don't have to spend them but you'll spend them at another time.

In addition, the other group we decided to see what's the cost for pausing, the cost overage. This was not part of Grant Thornton's ask to do this as part of their analysis so we are adding the number we came up with. Judge Herman talked about this. Justice Hull, we estimate an additional 21 million on top, in particular, in the first two fiscal years once you get that's that cost of rehiring the release issue, getting the equipment, and the time lost. The Grant Thornton costs starting in '14 '15, that's when we've moved, again, that the initial 35.6 would start in '14 '15.

And of course we've mentioned, and I think we're clear, a lot of the money is spent on infrastructure to begin with. Here are the impacts of option 2 that we're trying to provide for your decision. First of all, the pros are we do get to defer that money in tough budget times, in particular this budget coming budget year and the next fiscal year of '13 '14. But the pros remain the same. We get to leverage our investment and we also go ahead and are able to provide an integrated solution. There's just been a pause to it.

The cons of course are that it does temporarily dismantle the program. That's the question, we have to dismantle that program. We would terminate staff as part of the con as well. As well as we do believe we would have to go to RFP for a new application vendor after a pause because we'd no longer have Deloitte, we would terminate any work with Deloitte at that point. We also believe that this causes SLO to actually seek an independent solution. They've indicated their critical case management system need is in fact critical and they cannot wait during a pause so they would likely have to seek something alternative.

It adds a 21 million dollar overall cost, that is our estimate. It also delays the return on investment. That gets back to when I said in option 1 that's the soonest because you get started. So this will delay the return on investment because you'd have to start at you're starting at a later point in time. The other important piece around the impact of the pause is we will lose the warranty that is available to us right now through the development product and the contract that we have currently with Deloitte. So that's an important one, we did not list it but I can't I can't explain enough that that is a very important con to this option 2.

Any questions yet?

>> Me again. Just a question quick. So if SLO does have to go to some other case management solution because of the delay, presumably they're not going to be the early adopter court any longer so you'd have to have another court ready to move into that slot, into that position.

>> That's presumably correct.

>> Is it your assumption it would be Ventura because they were the other early adopter court, or re figure out which court that would be?

>> I think that might be a policy decision either here at the council or within maybe Jody assisting because we have the governance committee and the internal committee.

>> Certainly SLO would not be if they go to a different case management system they're not going to say in two years we're ready to go to CCMS.

>> That's correct.

>> Probably the logical court for debate would be Fresno because the assessment has been completed by staff.

>> Justice Baxter?

>> Yeah, I was just curious, could there be a hybrid where you have option 2 but after the pause a decision is then made as to whether you go or terminate? Is that an option? Or is that a

>> Why isn't that an option?

>> Is that a viable option we could consider? You follow what I'm asking?

>> I do. I'm looking to them to answer.  
(Laughter)

>> Justice Baxter, it's absolutely an option. We were looking at just these three to kind of put some fences around the possibilities. There are numerable shades between options 1 and 2 and between options 2 and 3 that could be considered. The downfall, I think, of postponing the decision around CCMS by implementing a pause and then making that decision about whether you're going to go forward or not is, again, a political mostly a political one but also it is, as Renea talked about, how long it takes the branch to begin to return, to get its return on investment.

The other thing that happens during that one year pause, as we've talked about, and for cost purposes, is that the application would then need to be refreshed. And if the council decides at the end of that pause that they still need additional time, then the cost for that 21 million dollar cost for the pause itself would increase because then the application would become further and further outdated with at least the legislative changes not considering the technical stack underneath of it, the components of the application that would need to be upgraded at some point. But it is an option.

>> Judge Herman?

>> I'll add to that from a practical standpoint. Courts are going to have to move on. One way or another. If we're talking about a one year pause which is really a two year pause we're not only talking about stasis and erosion of confidence in those courts that might be listed among the early adopters, and again, the need of courts to move on. It also would limit us in terms of leveraging the core application, the core application meaning CCMS, plus the ability to leverage the

peripheral components like E filing, document management, public and justice partner portals, et cetera. It creates increased risk at the end of the day for realizing the investment.

>> Points to its obsolescence.

>> Judge?

>> Can you give us if you know, what is the shelf life of an enterprise system? It's not like Word or Word Perfect? What is the shelf life of this is?

>> I think Grant Thornton included this in their overall cost benefit analysis last year. Do you remember how much it was, the shelf life of CCMS, what the expectation, Graeme? For how long CCMS would be (inaudible).

They used ten years but we know that applications like this have a shelf life of much longer. This is built on a modular scalable platform where the underlying components can be upgraded at any time. From my perspective it's probably more than ten years.

>> The Word idea, 5.0, 6.0, they upgrade every couple of years and this system is designed to be maintained on a constant basis. We've heard a suggestion that it's obsolescent now but it's been constantly upgraded up until today's date. But if we quote unquote put it on the shelf for two years there's going to have to be a considerable amount of deferred maintenance done which is the costly piece. That's where we're talking about time delay cost plus reviving and refreshing in the 21 million dollar range.

>> So I'll talk now about option 3. This is our final option to offer to date that I can speak about. And the idea here is that this option does in fact terminate before, that is the primary piece around this option. But, however, we've also, in this option, there is analysis about how do we leverage our investment? How do we in fact take what we've done and provide some benefit to the branch on technology solutions? So option 3 is I can't I guess I I need to be clear. It is about terminating V4 and what that implies, but then you have several different activities that can also occur during option 3 of examining where this goes. The first one, of course, is about trying to find the vision. The roadmap, if you will about where branch technology will go. That analysis can be done as part of option 3.

I spoke as well about leveraging technology, and I think we've heard about that today as well. This is a complex system that was designed for California courts so the idea here is how do we leverage that work, that effort, that investment to look at what CCMS can still do for trial courts, for our partners, which includes looking at document management system design, how does that work with existing case management systems? Where is E filing, E portal, E access, all of the E's looking at the technology structure for the branch and how will that look going forward. And having some governance over that structure to help drive things like the vision and the roadmap.

This option as well, there needs to be alternatives looked for for San Luis Obispo. If we terminate V4 that's not an option for that court. They're in critical need, therefore, we would have to look for something else that would serve their purpose. The san Luis Obispo, looking for an alternative will help us look and examine the other courts with critical CCMS needs. How do we approach that? Is there something that can be done by leveraging that technology? And

finally in option 3 we will conduct an analysis throughout this and report activity back on where that takes us.

First I want to speak about terminating V4. I mentioned previously in option 2 that there was a lot of similarity in this piece. It's because option 4 option 3 option 3 actually, what it refers to here is when you terminate V4, it is very much like when we have to put pause on CCMS. The dollar amount remains the same, it is about \$2.7 million to shut it down. So we would stop all the development efforts including where we were headed with release one which was going to address those four years of legislative updates and some of the enhancements that the courts discovered through testing.

We would of course stop all of the deployment efforts which impacts san Luis Obispo the court and the efforts put through by the justice departments, shut down the existing environments. That means we take and go ahead and decommission everything at CCTC and spring valley, the location for Deloitte where they develop that's the development environment, we would shut that down as well.

We would discontinue all of our vendor contracts related to this which includes Deloitte. We would of course have to discontinue discontinue may be too strong but the work with SAIC, we would have to eliminate that. They're supporting other things but this portion goes away. As well as we need to archive the application component. What we mean by that is we have to in fact look at making certain that we understand and have the code well documented, the artifacts, the deliverables so that should we be able through the analysis that I'm going to talk about later, through that analysis we will be able to use this system. So there's a portion to terminating V4 that also says, and how do we do that gracefully and still utilize our investment?

\$2.7 million that you see in the PowerPoint slide and in front of you, that is that cause also equal to the pause amount needed in '12 '13. The 2.7 represents pulling down the environment as well as that work on archiving and cataloging.

>> If we pause take option 3 or option 2, we have to spend \$2.7 million. If we go with option 1 we have to spend how much money?

>> 35.6 according to Grant Thornton.

>> There's a 33 million dollar, roughly, savings, by doing option 2 or option 3?

>> Correct.

>> Plus the \$16 million that we would get from the Deloitte grant?

>> If that's the council's decision and we are able to use that.

>> So there's like a 50 million dollar swing there?

>> No, the 16 would actually if I follow where you're going, the difference between the Grant Thornton 35.6 and we still have to spend 2.7 so you're around 33. If you have the 16 million, then you're spending 17 million. It would be I mean, again, with your theory and how the council would vote, then that would mean is 17 million.

>> Judge, it's clear we do talk about, you know, what would be available for other judicial council priorities in option 3, so we take a look at what the earmarked budget for CCMS was next year, and we talk about eliminating V4, the cost associated with doing that, the 2.7, plus we'll get to the analysis piece of this. The \$16 million. And what would be available subtracting that out of what was earmarked for CCMS originally. We'll talk about that shortly.

>> What we can if we move forward with option 3 and terminate V4 we project within the AOC that the cost avoidance by shutting it down in 11 in this current fiscal year is close to a million dollars that we can avoid having to continue to pay. And of course in '12 '13 we estimate close to \$12 million in cost avoidance that would not need to be paid if V4 is terminated.

Here's the vision and the road assess map, this is the idea, again, after in terms of terminating V4 but looking at an analysis for how to actually put the branch technology vision in roadmap forward. First of all, I believe there is already a collaborative effort of the I.T. working group and I believe that is a committee out of the operations CCMS governance committee. I think that's right. And that working group consists of trial court members and I believe some of the other community stakeholders to actually help drive that roadmap of where the technology should go. New technology strategies, where is in fact the future of our technology going. I know briefly Justice Chin talked about that future. That's part of this developing and analyzing where is that roadmap. It's also about what is the case management solution strategy. What we mean there in the case management solution strategy is, again, leveraging what we've got, how do we in fact use, perhaps, CCMS. Are there other options that can be done? And then using those to come up with a strategy because courts will need a case management solution.

We estimate that this analysis so far, the roadmap and vision, is about \$782,000. What that money represents, of course, is the staff and resources to actually look and support what we'd be working with, the I.T. working group, to try and develop that roadmap.

>> Renea? Is there any have we looked into or is there any risk that there would be any agency such as Deloitte that would prevent us from being able to look into using what we have of the system that we've developed?

>> Judge, we're going to talk about that, actually, in leveraging CCMS technology. This is really because the branch has for the past ten years since the council implemented its strategic plan worked off the premise of a single case management for the branch. Without that, the vision for technology for the branch needs to be reexamined. This is the effort to do that.

>> Kim asked another question. It's a variance of Justice Baxter's question. This vision and roadmap, if one more to pause, option 2, in other words, select option 2, why couldn't this activity of the vision and the roadmap be developed during the pause? In other words, you would have a possible option of terminating after the pause or embracing some leverage benefit that you're offering here as a third option.

>> That Judge, that is one of the gradations between these options. So you could take bits and pieces of these three options and combine them in various in a number of different ways. That's one way of looking at it. Again, it has the risk that Judge Herman mentioned earlier, you know, putting this decision off, during that pause period, you know, the application continues to become more obsolete than it would be if we moved forward. But it also there's a cost

associated. So the objective of the pause is to save or defer cost for the two upcoming budget years to the maximum expense. That means shutting everything down. If we were to do this analysis and try to keep CCMS, you know, alive during that process, you would not be able to defer all of the money that we've we discuss in option 2. That's the key difference between your suggestion and option 2.

>> Justice Baxter?

>> It's too bad we don't have a crystal ball to look into to predict whether things will be at dire next year as they are this year. But even with option 2, as I see it, a year from now if things are worse than they are today, I think we'd have to revisit the decision to deploy. Isn't that right? In other words, that's inherent in that option 2, that the intent would be to deploy after the pause, but you can't put it on automatic pilot. Would have to look at the circumstances at that time, the economy, the revenue that we could anticipate. So it's not as though I mean, I don't see option 2 as putting us at a position where today we would decide what's going to happen after the pause occurs. Or am I missing something?

>> No, I think you're on track justice. That same lack of ability to see in the future affects the council's thinking around option 1 as well. Anything where you're committing to moving forward, both option 1 and option 2 are suggesting a committed path forward beyond next year. And in both cases, the fiscal situation is unknown, and so in both cases you would have another decision point as a council to decide do we continue expenditures, but you'd be in different places. With a pause you would have not expended anything, you would not have started on SLO and the other ten courts. But in option 1 you would have so you'd be in different places but you'd still have that same situation where the council would have to decide based on the fiscal reality at that time, you know, what it can afford to do, and recall the presentation earlier about the 125 million trigger that's looming out there depending upon what happens with the initiatives for tax increases.

>> Justice Hull?

>> Thank you, Chief. Justice Baxter's question of course has weight but it seems to me we would have the possibility that if we paused for a year and revisited option 3 a year from now we may find we can't afford to go forward then. We may find we can't go forward the following year or the year after that, and correct me if I'm wrong, each of those year pauses would cost us additional money towards a system that may ultimately not be attainable for the branch. Is that fair enough?

>> That would be true, Justice. I think the other the other thing that we need to consider at least we would do that during option 3, is for courts that have failing systems and even those that don't have failing systems today, at some point they will need to replace their systems with some of this new technology. And, you know, the longer you have this process where you're where you are unable to (inaudible) alternatives, the longer the courts are stuck in limbo where they could realize the benefits from E filing or the management systems or ESS.

>> Justice Hull basically asked my question but the longer we delay, the longer the courts are in limbo they don't know what to do. If I want to replace my case management system, if we delay a year and we start to implement, still another year after that, probably, before you can even do anything; is that correct? So a one year pause is a two year pause, probably, number one. Number two is we're still spending money. Just from an economic or fiscal standpoint. If we do option 3, there is we save money stop spending money, I guess that's the best way as opposed to the other two options; is that correct?

>> With option 2 you also stop, Judge, everything stops, we wrap everything up. With option 2, the branch is faced with additional costs to ramp up again. That's the difference.

>> How much is that?

>> \$21 million.

>> Mark, isn't there an added cost to option 2? For the courts in need of a critical system, they can't wait for that one year pause, and therefore they will have to or somebody will have to expend money to deploy an interim system in those courts so that's an added cost not in here.

>> That's true and I would guess if Grant Thornton were to redo their cost benefit analysis for all 58 courts taking into account longer and longer pauses as courts had to begin to replace things, the overall cost to the branch would go up.

>> Right. Alan Carlson?

>> Following up on Justice Baxter and Judge Kaufman, option 2 has us standing around and waiting, it seems to me. Option 3 at least while you're not doing V4 you're looking at other options. I don't need a Crystal ball, we're in a lot of trouble for two or three more years fiscally. Pausing one year means we're going to pause again and again. I don't see that being viable. I think now is the time, and one of the pieces of the third option is to look at what else can be done out there. In the meantime, because we're not going to be able to afford the what's in 1 or even 2, put off a year. We've got courts that need new systems. We got to look at something in the next year that allows them to figure out where to go waiting or not waiting. Two to me seems the least rationale given the fiscal situation we're likely to face.

>> I just wanted to finish up on that, because it seems to me that 2, the decision is not likely to be this body's. The decision, if we take that route, the decision we made a convenient political decision for others who control the purse to say, no, we're not giving you that to start back up again. And it just it just cries out for that if there's trouble next year, we've already got a part of an answer for you. We aren't going that route. Then finally, the thing that the thing with option 3 is I just hope we don't lose sight of a single vision. That's all I have to say on it.

>> Judge Rosenberg? Then Judge O'Malley.

>> This reminded me of a discussion going on for a few years about drug courts where we talk to the legislature every year about putting in some more money for drug courts and we show them

the studies, every study which shows that you spend a dollar today and you'll save 2 or \$3 in the out years. Innumerable studies along those lines. But the legislature is not of a mind to spend the dollar today because there are too many competing demands and not enough dollars. They know they'll save money in the out years but they are not in a position to spend the money now.

>> Judge O'Malley?

>> So my question is, other than San Luis Obispo, do we know how many other courts are critical within the next year or two? Are there any other courts that couldn't live for another three or four years? Do we have any idea of the number of courts who would be put in a bind within the next year? With the budgets we're faced with I can't imagine many courts, if they don't have to, spending money on a new system right now. They're just trying to live by the skin of their teeth. Honestly are there courts out there that are needing to collapse, that need a system within the next year?

>> So the ones, Judge O'Malley, the ones in that critical shape are already doing something other than CCMS. With the exception of the courts that Grant Thornton, out of the ten that had that check box that said they had a near term critical need. Those are the only ones we're worried about at this time.

>> There is one more in critical need, Kings. But all the others have moved on and are doing their own thing already within their own means?

>> This list that is Fresno, Mendocino and others.

>> There are others that wanted to be a part of the study.

>> So, Renea, if you would continue and as questions arise we'll take them?

>> Sure, thank you. The final piece of this roadmap, what we included is of course the \$783,000 to go ahead and get work and provide a roadmap for this vision. And then also, how do we work, we've combined this with the governance structure that was one of the activities that could be completed during option 3. That is \$194,000 for that which really covers the base staff to try and do the analysis on the governance structure with the different parties.

So let's talk about leveraging technology. First of all, one of the things that I've talked about is of course preserving the investment which is really our asset. I'm not certain, Judge O'Malley, if to some degree, you did ask about Deloitte. We own the code, that is something we own, so the ability for us to do things with it, we own that code.

>> And would not be able to interfere, do you think, in any aspect with us being able to reconfigure, use it however we could afford to do so?

>> That's absolutely true as far as using it within the branch and with a public sector entities. There is vendor, what they're called vendor works, things that are proprietary to Deloitte that may or may not have been included in CCMS. To the extent that they are we would need to work with Deloitte if we were going to commercialize the product.

>> Thank you.

>> In this activity we also would look to actually reallocate where that technology and the components that are put together, again, the four components that I spoke of earlier, an example could be, again, the document management system within CCMS, how does the statewide data reporting warehouse, perhaps, help with reports, things like that could be in fact reallocated. As well as examine and analyze the options for modular deployment. One of the things I've heard in several of the meetings are the courts needs, that maybe they're failing in their civil but they're okay in their criminal. So this would look at how do we best serve that piece, or perhaps even smaller than just those large components of criminal versus civil, just the family law piece, things like that. As well as one of the things that goes in here is the options for licensing, whether or not we can license to other CCMS vendors, whether we can license back to Deloitte, whether or not we can look at all just looking at all of the options around licensing that may benefit the branch.

We believe that it will take six months to perform this analysis, and there is a \$3.4 million tag to complete this work. And the reason that it is so high is that partially this is about us understanding and getting knowledge transfer from Deloitte. We own that code but they are the ones that developed it. And so we would in fact have to have specialized resources to be able to transfer that knowledge over to us, that is certainly a large part of this cost.

In addition, leveraging our technology, I briefly spoke about this, is how do we take advantage of the DMS or the document management system, as well as electronic E filing? There are pieces of CCMS that could very well help us with exchanges with other partners. That would be looking at all of the technology and trying to take advantage of it for the branch and the trial courts.

>> Judge Herman?

>> I would like to back up to the knowledge transfer piece. The \$3.4 million piece. And maybe you could explain for us what we mean by knowledge transfer, whose knowledge it is, why we don't have that knowledge currently within within staff, what the down sides are of not performing that knowledge transfer in terms of being able to do anything with CCMS or any of its components, peripherals, pieces, chunks at some later time.

>> Let me try to address that.

>> Let Mark cover that territory.

>> This is the biggest chunk of money for option 3 and it is because it is looking at the actual code, looking at the application itself. So millions of lines of code, many, many different modules, all developed by someone other than us. And really the objective here is multiple, multiple angles in a very short period of time. As Renea said, looking at pieces of it, pulling out the portal, maybe using that for E filing, pulling out the statewide data warehouse and replacing Gibsus (phonetic) with that so there's consistent reporting. It may be giving it to a court and have a stand alone implementation that is not an enterprise solution. It may be adjusting it, taking the code and adjusting it so it works on a smaller footprint for a small court or extra small

court. This is why this is so expensive because it is looking at a very complex set of code, the bits and bytes we'd be looking at. The knowledge transfer Renea is talking about is hiring a handful of Deloitte people to help us with this process over a six month period. It does not envision providing court staff or AOC staff with the complete knowledge transfer we would need to maintain the application should the application live on.

Remember, this is terminate CCMS as we know today. So knowledge transfer in the sense that we used for V2 and V3, because they were developed by someone else and moved into the AOC for support, would not occur.

>> Justice Baxter?

>> Thank you, I think you answered part of my question. And that was whether it whether existing AOC staff would be doing this work or whether Deloitte staff would be doing it, and so you've answered that

>> It's a combination, Justice.

>> The concern I have is whether there's any salvage value, no matter how much you spend. And are you stating with confidence that there is a lot of salvage value here?

>> So at this point I could do that, Justice. The opportunity that the could would take by taking option 3 and investing the \$8.7 million, 2.7 of which is to shut down the application, the remaining amount of money would be used for the analysis and what we would attempt to do during that period of time, and it goes really through September for most of it, would be to provide a cost benefit analysis for all the components that we think would have some value in leveraging and moving forward. We're trying to avoid the use of the salvage. I know what you're trying to get at, but that would come through this analysis. And the end product of the analysis would be a cost benefit analysis on those pieces that we believed would be beneficial to move forward with. There would be cost associated with doing anything in salvaging CCMS. But from the 60,000 foot level I've got to believe that as the branch has made such a large investment in this, that there are things that can be used. And even if it's not the code itself, the processes, the requirements, we know that the requirements alone that were used to develop CCMS V4 can be leveraged for SLO. If we were going to write a procurement document, RFP, we would take the CCMS requirements, work with the Court, pare those back and use them in an RFP. Otherwise we would have to spend time and money to redevelop a whole new set of requirements. I do believe there are things that will still provide value to the branch. It's a matter of quantifying them, putting them into packages that you can look at as a council and say here's the cost and here's the benefit of doing those individual things and making decisions at that time.

>> Edith?

>> As everyone heard this morning, the bar's interest is not in seeing this splinter into 58 counties all doing their own thing, none of which provides the service to our client and to the public that we have if there's document management, electronic filing, et cetera. I just asked my secretary out of curiosity how much it cost me to file the last document I filed in San Francisco.

\$88.88. One of the things that the information that we've received today does not take into account is the availability of user fees. And while I recognize there are issues on court fees, an increase to use an electronic filing in San Francisco up to anything less than \$88.88 is actually a decrease in my costs. And that's one filing in one place.

Does this option 3 include the concept of looking at what all the other options are out there from other vendors, other technology, other available case management systems so that we can still look at whether it's possible to have the vision of a statewide system for at least some of these applications exist and have a comparison? Because none of these numbers is very meaningful unless you compare it to another number. So I think we now have an obligation to look at the technology that's been developed while we've been working on CCMS and see what can be combined from that or substituted from that and/or supplemented with components or pieces of parts of what we've developed. Is that included in the theory of what we're doing on option 3?

>> I think it's specifically in this area of leveraging CCMS that we would look at that. So I look at the first two slides that she's talked about as longer term. I mean, they really are things that we need to spend some time on. We're going to talk about some shorter term. There may be more piecemeal in all honesty. Looking at document management, looking at how we can use the portal to do E filing today, it may mean not all courts can do it but some courts that are able to may be able to leverage that to immediately or in a short period to do E filing. This leveraging piece here is looking at the longer term, the point that you brought up, is there something at a statewide level that can still be done? Or not? I mean, it may be that there's not with CCMS with CCMS. But I think some of the vision for the roadmap in the first slide is exactly to your question, is there a need for anything at a statewide level, and if so, what is it and how would we overcome obstacles so that we could be successful in implementing those.

I think that's really the roadmap and the vision part. This piece here, leveraging CCMS is looking at what we've already done and what can we get out of it. I look at that as mostly being longer term because we're looking at perhaps rearchitecting pieces of the application. Then we'll talk about in a moment some of the shorter term or nearer term things that we could apply to the branch like document management, E filing, E access to documents and E service. And so that's the way I look at it. I think there's opportunity here for input from the council and from the internal committee to steer the work that we would do under option 3 specifically. Remember this would all be under the auspices of the internal committee that would set that agenda specifically for us.

>> Kim Turner, then Alan.

>> Also Edith talked a little bit about what I wanted to say and I want to also piggyback on what Fritz Ohlrich said earlier. At the end of the day, whatever vision decision we make about V4, the part I think that's most all of it's troubling but the part that is really troubling to me is that the product that we tried to create would help the courts but it would also help the public. It would open up access, it would help attorneys and other litigants that come into our system. It would be create the kind of transparency that we all seek and are very invested in as a branch. And so the idea that we can leverage the CCMS technology to create some of those statewide benefits, some of those so I know that we have the portal and the integration backbone and all the things out there that are sort of hook ons to the main, to the core application, I would hope that this

leveraging activity would take a look at those pieces because those are the external pieces, the pieces that allow the public to access our services more effectively and efficiently. I would hope that even if I have an old case management system, an old COBOL one that I could access E filing at a public portal that would be able to read my data, read that integration piece to old and new systems and if we can't all get to a modern case management system at least we can make the front end look the same no matter the county. For the public and lawyers I think it's important to make the technology look the same so that they don't have to scratch their heads every time they go into Marin's case management system and say why is it so different from San Francisco which is right next door.

So to the extent that we can take the architecture and pull it all apart and see which pieces of it really I think provide that facade, which is such a public benefit so that our public stakeholders can really get to our data, I think that will be a true value even if we don't go forward with the full product.

>> Alan?

>> We're asking the question backwards. The point is what you want is what do we want on a statewide basis. We want E filing, we want CCPOR, we want one link to highway patrol, one link to DMV. So we identify those and maybe in the first step they talk about there's our vision, those are the things we want on a statewide basis. We do not have to get those things only through an enterprise wide system. That's just one solution which would have worked if we'd done it. We have E filing right now without V4. And the system we're using, San Diego will be able to use by the summer, by the fall when they get the rest of their system ready, we're working with riverside who has a different system, they'll be able to use the same E portal filing system we're using. You can do it without V4 but maybe V4 will allow us to do that. We're working on a system to get tickets from CHP electronically, also Santa Clara. But V4. We're building a portal or a system of doing it where CHP has one way of doing it. CCMS and the courts, whatever they are, take them in that manner and put them into their systems. So what we need to look at is what do we want in our vision statewide, what needs to be statewide, then look at V4 and say what is in there that we can use, build to achieve that end? It's not V4 everywhere, it can be a lot less sophisticated for now and I think in our economic time. The E filing, the CCPOR, the electronic citations, all that stuff we can do with 30 different 70 different E filing case management systems and the courts if they write a piece that goes from their case management system to the portal, from our side. All that's doable.

And it may be that a bunch of that stuff's in V4 and we can use that. The execs and CIOs say there are pieces in there we can use for exactly this purpose. I think that's the way we should look at option 3. I would get rid of the language about terminate V4. That sounds so final. Maybe it's political, I don't know.

>> Alan, you're confident that it is salvageable then?

>> Pieces, yeah. I couldn't tell you which ones right now, I'd love to know that maybe some of the modules are usable because we have people who could we don't need a civil or a criminal system in orange. Our oldest system is family juvenile. We can keep it alive for five years if we had to. If I could go reasonably cost wise to a different, more modern system we would look at that and maybe V4, we've offered for a couple of years now, we'll take just Family/juvenile.

Fresno needs a criminal system, no question, maybe others, too, and it may be the same in other places. Let's look and I think that's what option 3 ought to be about is what can we take out of here that we can use.

>> My main concern is spending good money after bad to find out whether or not it is salvageable. But you're telling me that in your view based on your experience it is salvageable.

>> I think with a small amount of money I think these numbers are big, frankly, we could figure that out during the next year, or during the next six or eight months, yeah.

>> Judge Moss, then Judge Herman.

>> I think we said salvage, if we go with option 3 we should try to salvage the components we have but do we have to decide that in the same breath we decide to terminate V4? Couldn't the governing committee decide how we go about salvaging things and how much money should be spent? Soon, but not today?

>> That's part of

>> Just a thought on that. First of all, addressing what Alan is talking about, I think it's I think it's critical from this point on that our stakeholders, our courts, travel with us and that we receive input and direction from the trial courts, public attorneys, stakeholders of all sort. In other words, Alan, you asked, you said, look, the question should be the reverse. So I think as part of this process it's key that we have that we have that involvement and that input particularly from CIOs, because they really are feet on the ground in terms of knowing the technology particularly with your court, San Diego, the other V3 courts and the V2 court in terms of how this how a vision can be reshaped with the technology and what pieces of the core code of V4 and the peripherals can be developed.

So I think that dialogue is a key piece of dialogue. I think in terms of the answer about when do we have to make this decision is sort of driven by the budget process in terms of when the decision needs to be made, my understanding. My understanding is that we as a council need fairly short term, probably today, to direct CCMS internal to hit the points that we've talked about in terms of leveraging, in terms of doing something for San Luis Obispo, looking at those courts in critical need and developing a policy regarding those courts. It's a budget issue. If we don't make an allocation fairly soon the budget moves on without this piece. Am I accurate in that?

>> I think that's important, Judge, but I also this option is to terminate, Alan, so it is to stop everything. And if the council were to decide to delay this analysis phase, the folks that have the knowledge would be gone because we need to to terminate, we need to redirect staff, we need to lay off staff, end contracts right now. And if the council decides to do that without this analysis phase, there would be no one, when the council decided to come back and do that analysis, that has that knowledge of the application and the project to be able to do it effectively.

>> Edith?

>> I think we may be there's a semantic problem in here. I there isn't a lot of doubt that in light of the current fiscal situation we're not in a position to have what I believe would be the best solution, which is CCMS throughout the state of California. I've accepted the fact I can't have that. I get it, okay? Don't like it, but I get it.

So and so we have to we've I think there's a sense that that direction has concluded in its original vision. Not that the vision was necessarily wrong, but we simply cannot do it. So we are there's the cessation of that approach to this. But it doesn't mean it's terminated in the sense that it goes away never to be seen again in any shape or form. It means that we go back to the drawing board, take a look at what we've developed and what we've got, and see how it can be revamped and reused with or without other options that are available out there and then go forward.

>> So I agree totally with you. I mean, in essence when we say terminate it has like some issue of finality beyond in some source what we mean. It really means, I think, stop the funding on V4 and then let's start with this new approach.

>> No.

>> Wait a minute, wait a minute, let's have Judge Rosenberg first.

>> This judicial council will never be as knowledgeable about this subject as we are today. We've ingested and digested a lot of information. The public, the legislature, our fellow judges, our judicial employees, our justice partners are looking for the council to make a decision. I think today is the day to make that decision, I'm hopeful that we can wrap up this excellent staff report to get about the task of discussion and decision making.

>> Judge So?

>> So it's stopping the deployment of the original vision of V4? That's what option 3, correct?

>> Yes. But Chief, it's allowing courts to mix and match. If we spend some money to sort of look at what can come out of it we're letting people mix and match so we're deploying in a different way even though I know in a sense we're terminating.

>> But it comes with the vision and roadmap so people are not courts are not mixing and matching to the detriment of a statewide uniformity as far as public access. Justice Hull?

>> I reconsidered again.

>> Alan just made comments about some of the opportunities that many of the courts have taken to incorporate different aspects of technology including DMS, E filing, we will be bringing those into our court without CCMS. The technology is there to allow courts that opportunity. \$3.4 million is a lot of money in my eyes and I think in most eyes, and I think before we commit any money to this project I think there needs to be a full analysis of the options that exist. I know that six months is the amount of time that was identified but I think we can come back with various options for us to consider before we make a commitment of 3.4 million or 576,000. I

think there's a lot of information that would be helpful for this body to make decisions about moving forward.

>> Chief? Judge O'Malley?

>> The 3.4 million in my understanding is to transfer the knowledge.

>> It's partially hiring Deloitte folks to help us.

>> Right.

>> But really it is AOC staff to do this work. Because again, the way I look at this, and I know we're trying to, like, massage the word "terminate," but the only way we can stop funding for V4 is to lay off all the AOC folks, turn off all of the contracts supporting the existing V4 application, and to be able to do this analysis would then cost you some money. We're saying it's the expertise and resource is there now and you can choose to do that now, or if you want to do this analysis, either the courts themselves do this, again, without knowledge of the code, because the only people that really have knowledge of the code right now is Deloitte. Or do that, you know, at some future point there would be, I would think, and I appreciate Mr. Yamasaki's point. We could come up with alternatives but I'm hard pressed to do how without staff.

>> The 3.4 is to preserve

>> Staff and bring Deloitte folks back.

>> What we know about what we have in V4. If we don't spend this money we won't know what we have to leverage for V4.

>> Justice Hull and Judge Kaufman.

>> Thank you, Chief. I'm wondering if we as a body for the balance of our discussions this afternoon can agree that if we use the word "terminate" as shorthand of discontinuing of V4 going forward. Is that not current?

>> Not discontinuing funding of V4. The confusion is there is that we're looking at options about what we can do with components of

>> No, no

>> V4. It's really that we are stopping the deployment of V4 as a statewide enterprise system and looking to moving to other options.

>> That's what I had hoped to say and I didn't.

(Laughter)

I agree with Judge Herman 100%, that's what "terminate" means as of today.

>> Now that that's clear, Judge Kaufman.

>> As Judge So said, all we're doing today is we have a vision. The vision is sound. Edith is right, okay? We have a product, it's viable, it works, it really does, it works well. Next, what do we do with it? Can we afford to deploy it? Next, \$3.3 million. David, I understand what you're saying. The problem I face is that if we don't allocate the money today, we may not have the money tomorrow. I think we have to face that issue. Maybe not spend it, maybe the compromise is we have to allocate what's available and then somebody comes back and says this is what it really is. If we don't make a commitment to go down this path we may not have that money at a later date is my understanding of the budget process. I defer Jody. But we have to make a commitment that we're going this direction.

>> Alan?

>> I don't think we have to allocate money today. I think we have to say here's what we want to do in '12 '13 and ask the staff to come back because we're meeting in less than a month, I think, and say here's how much money it would cost to do that. I think it's our job to say what we want to do, then we allocate the money. We're not close to knowing how much we have for the next fiscal year. We could be off by hundreds of millions of dollars at this point because we don't have a revise, we don't have a budget. We could identify what we would like to do, the council, in terms of and I agree it's not "terminate," that word rings all kinds of bells we don't mean to ring. Let's figure out what we want to do with what we've gone and then we can come back and say how much money that is between now and July 1st.

>> Let's hear the rest of the report that has

>> There you go.

>> When I read it over the weekend page 23 lays out these costs, so let's go through them. I think we might be saying "up to" this amount. I understand the constraints for the budget and I understand we're making a decision here, then to come back in a month and continue this. I'd like to hear the rest of the report, go through it, tell us the cumulative amount and then maybe we can talk about that.

>> Okay. Welcome back.  
(Laughter)

>> We digress.

>> Tangentially I do that all the time. I think it's actually important if I cover what this summary says so we can understand what is being examined. What you see here is how the money is displayed for each of those activities. The 2.7 we've talked about, that is really doing all of those activities, what we call terminate and what we've agreed here, what that means. That is 2.7 million. To do the analysis on the other pieces, which you'll see as the roadmap, leveraging the technology, going ahead and leveraging the technology for DMS, E filing, E access, E delivery, making certain that we have a branch structure for technology, how we're going to go ahead and

analyze for the san Luis Obispo court. The amount there represents us helping them to look for alternative solutions, solutions like Tyler, like sustained. This is one of the areas where you actually get something, this option provides you with, we would need to go out to RFP and assist the Court to go to RFP to select another vendor. It's a ten month effort but that's why the price is there. All of that work then goes into the courts with critical needs so that we have a process or analysis of what that's going to look like.

So the total is 8.6. What this means, and I think this is getting to what Judge Kaufman was trying to state, this is the money that would be committed if you want to actually do the analysis for all of these things. Whether it is encumbered or whether it is spent, this is how our analysis to try and say how long would it take, how many months, how many people, and those were the calculations around that. To come up with the 8.6 million.

>> The last two bullets give you a deliverable if you will.

>> Correct.

>> And that's a million dollars?

>> Mm hmm. The last page of the slide is simply the timeline around these activities and those activities really are just trying to illustrate that we can run some in parallel, some in staggered to take advantage of both the AOC resources and some will be serial. But if we can stagger and make efficiencies we do that. That's what the timeline is. Finally I think what we didn't state is that if the finance division went ahead and predicted or projected that 55 million would be for V4 activities in the '12 '13 fiscal year, if you take out that 8.6 that would need to be spent, it provides back to the branch a 46 million dollar projection for other priorities.

>> Is that 46 million, does that include the 16 million from the Deloitte for the delay?

>> It does not. Right? Those are the three options, I appreciate the opportunity to actually present them. Hopefully they're at least clear in their in their definition. And then we can participate in any dialogue.

>> Thank you.

>> For purposes of our discussion, Renea could you go to the slide before this so we have that one up? The list of the seven

>> That one there, certainly.

>> Thank you very much, very helpful, appreciate it.

>> Thank you.

>> Thank you, Renea.

>> So Renea, am I right terminate V4, \$2.7 million, we have to spend that regardless? That one is if this was a selection of things that we could choose to do or not do we have to do that in any event. So what we're really talking about is the difference between 2.7 and 8.6. So 5.9 are the options within our discretion

>> Correct.

>> SLO. You have to spend SLO.

>> Yeah, you're right, okay. So we're talking about somewhere around \$5 million of additional cost in here that's within our discretion to make a, you know, a thumbs up thumbs down kind of discussion on.

>> Correct. 2.7 is money that needs to be spent. And that applies for option 3 as well as if you choose option 2 that would have to in fact be spent.

>> Thanks.

>> Curt, are you able to speak to at least the assumptions behind some of the numbers here, for example, the leveraging CCMS technology? I realize that talks about knowledge transfer and Deloitte, since they built it they have the information, we need to know that. Can you give us more assumptions about these numbers?

>> Yeah, and I'll try and work actually towards the middle, so to speak. As previously stated if we're not doing option 1, then basically for option 3, terminate, by whatever definition that is in V4, that is state of complete under any circumstances. Under the technology, vision and roadmap, part of that also has to do deal with, for any technology project at this kind of a juncture or the same for Phoenix, there was a certain amount of investment that had to go into where did we want to go with Phoenix, how are we going to get there. It's a detailed set of plans that has to be prepared to for all intents and purposes, using my famous background we come up with a Gant chart with level of activities, and Mark can jump in here at any time, so that we know as we move forward that we make sure to make sure stones aren't left unturned. Due diligence goes into the \$782,000. You want to add to that?

>> Actually the attachments to the report that the report number 1, go through each of the activities, 1 through 7, so there are seven attachments related to this, I mean eight attachments, attachment 8 in your binder, page 37, talks about leveraging CCMS technology, which is the biggest dollar value here. And, you know, as Renea pointed out, with the limited amount of time we had to prepare this report we tried to break this down into what we were trying to accomplish during the time period, how long it would take us, the types of resources we would need to do the analysis and how many of those resources would be required.

So if you look at the chart, on page 39, it breaks down that 300 that 3.389 million, and you'll see the first item is 137,000 for Deloitte consulting resources. And this is essentially the knowledge transfer because we're not really transferring knowledge, we're using Deloitte people under contract to do this. Along with the 576. And these are existing AOC consultants which are providing the architectural knowledge of the application. We would continue paying their

contracts for this period of time under this particular activity. We assume that there will be travel and that there may be travel for the trial court folks to help us with this particular analysis. That was the 63,000. Then the remaining is baseline staff, all 9.2 positions for nine months and 17 positions for 10 months. That's a combination of the folks in the PMO which have functional knowledge and court knowledge of the program as well as the folks in ISD that have the technical knowledge of the application and how it can be applied.

>> Let me add two real world examples. One's CCMS, one's Phoenix in terms of a knowledge transfer issue. When Phoenix was in its heyday three or four years ago we probably had 15 or 16 consultants performing maintenance and operations work. Over time as staff acquired more and more knowledge from our vendor, there became less and less reliance upon the system integrator to perform this kind of work. So obviously you end up with a less costly solution. The very same has happened in the V2 and V3 maintenance and operations activities whereby rather than rely upon the Deloitte consultants we have our own consultants at this point in time coming in at a cost of \$4 million a year less expensive, if you will. So that's some of the value of knowledge transfer.

>> A page 38 of the report, it lists the areas within the AOC, and the types of activities that would be occurring in each. Then moving to page 39 you see that translated into cost based on the number of resources and the time frame. I mean, that's how all of these were done. Each one, each one of these activities has one of these charts as an attachment to your report.

>> Thank you, Mark, thank you, Curt. Any questions? Judge Herman?

>> Chief, to put a focus on maybe where we go forward from this in terms of discussion I would like to propose a motion to the council and in order to follow along because it's going to have three parts, a part about stopping the deployment of CCMS V4 and then the parts in terms of direction to the internal committee to come back with recommendations and a timeline to the council which sort of follows along the bullet points on the option 3 that's currently on the PowerPoint. And then finally, asking the council to allocate up to 8.7, and I stress up to 8.7 because I think some refinement needs to be done on the costs, in order to support bringing the recommendations back to the council.

If you go to page 14 of the report, the bullet points are more fleshed out. So I would move first that we stop, and I'm willing for a friendly amendment as to language, but stop the deployment of V4 as a statewide technology solution. Second I would further move that the council direct the internal committee in partnership with the trial courts to develop timelines and recommendations to the council for, A, establishing an approach and vision for implementing technology that serves the trial courts, litigants, attorneys, justice systems partners and the public while considering available resources and technology needs. B, leveraging the V4 technology and develop software to benefit ongoing judicial branch technology solutions, and of course the subparts to that would be what we've talk about in terms of licensing, in terms of deploying code to trial courts who want the code, et cetera.

The next bullet point would be providing technology solutions in the near term to improve efficiencies in court operations by maximizing the value of document management systems, E

filing capabilities, and E delivery services for the benefit of litigants, attorneys, justice partners and the public.

Next point, establishing a judicial branch court technology governance structure that would best serve the implementation of technology solutions, otherwise included in the recommendations, developing alternatives for the V4 early adopter court san Luis Obispo to meet its current case management needs. I know Jody and staff are all over this already, there's already been demonstrations by two vendors provided to that court and this court that's hung out with us for over four years and is in jeopardy of breaching trust with its justice partners. And finally, developing strategies to assist trial courts with existing critical case management system needs. I would further move as part 3 that the council authorize allocation for next fiscal of up to \$8.7 million to accomplish these goals.

>> I'll second that.

>> Like to make a substitute motion.

>> Let me get the seconds were Justice Miller, Judge Hoffman, and then a substitute motion, Judge Rosenberg?

>> Yes, I'll make a substitute motion and tell you why. It's as follows: I would move the option 3 with the following three caveats, call them asterisks if you will. Number 1, that each court should have the option to choose its own case management system which would serve the court, the public, the users, and of course the Court. Number 2, that the judicial council and the AOC work with presiding judges and CCOs and CIOs collaboratively to develop statewide minimum and uniform standards such as E filing, the ability to review documents online, et cetera. And number 3, that we don't spend a penny yet.

>> ...to develop statewide minimum and uniformed standards such as, E-Filing, the ability to file documents on line, et cetera. Number three, we don't spend a penny yet until the committee and

staff come back to the council with specific recommendations now that we've given them this policy direction. I'll tell you why I'm making this motion. I'm only an advisory member of the Judicial Council. I've only been here for six months, I can't vote, but I do try to speak my mind and I can make motions. I represent the P.J. advisory committee and I do speak the opinions of many presiding judges and many trial judges. I believe that 10 years the system of a case management system was a far sighted vision, but a statewide connected system is just not feasible in the current climate and in the foreseeable future. It's just too expensive. The legislature and the governor are not going to give us a check or series of checks for 5 or 6 billiondollars for a single case management system. We know that the need now is to keep the courtrooms open. I think the new vision is to allow the 58 trial courts to develop their own case management systems, whether they choose an existing product and there are existing products, or they choose a CCMS component. Frankly, I believe the current on the shelf products are considerably cheaper than whatever we can produce through CCMS, but I'm willing to give the courts those options. I do believe if we develop statewide minimum and uniformed standards, that the ultimate vision of an interconnected system, a system that would allow others to do things like E-Filing that are needed. That's my substitute motion.

>> Judge Wesley seconds I sense on that substitute motion.

>> Yes.

>> It seems to me the three parameters that you discussed fall under bullet number three of -- establishing -- I'm not sure it supersedes option number three, but I see no quarrel with it as something as part of the original motion, and under number two, establishing an O proven and vice, all of the things that fall under it. That's my first point.

>> There are overlaps, no question about it, but the substitute motion emphasizes, for example, that each court would have the ability to choose its own option for case management.

>> My clarification is that before there's any discussion by council or others as to that issue?

>> I'm sorry.

>> You're making that motion. It seems to me to be a part of the motion. It would be heavily favored in the discussion, but you're saying under this substitute motion it won't be a subject matter for discussion, it would be a policy matter out the gate right now if.

>> That each court would be able to -- yes. I think we need to make that decision for many reasons. Number one, courts are in need of choosing a system. CCMS has dominated the scene in California for many years. Alternative systems have not developed in California because of that monopoly. We need to allow the alternative systems -- we're based on competition. Allow the competition, allow the individual courts to choose, give them the ability. We've kind of frozen everybody in place while waiting for CCMS. We need to unfreeze them.

>> I have another question about the substitute motion. For clarification, when you say no money to be spent until Judicial Council and others return for further information. To spend is one thing, to allocate is another. Are you saying this substitute motion would not at that time address up to 8.6 million as part of the original motion to be allocated?

>> I don't mind making a decision to allocate. I don't want to spend any money until we have our arms around what is truly being recommended.

>> The refinement I understood was part of the regular motion.

>> We're in-sync there.

>> Angela Davis.

>> I have more questions about substitute motion. Just in matter of question, rather than a concern, isn't it the case that if we go with option three, the trial courts can, of course, pursue their own systems and, in fact, I think we heard today that some courts, those that are in the most desperate straits with regard to technology are already doing it, even under the time period in which we were full force pursuing CCMS, and that's just a question. I don't know that it's necessary to articulate that the courts can pursue their own systems when it's a reality that they can and they're already doing it.

>> If I can respond to that. I don't believe in mincing my words, if in fact, we are terminating V4, I think we should say it. If, in fact, we are giving all trial courts the ability to get their own systems, whether it be a component of CCMS or an existing system like sustain or any other existing system, we should say it.

>> Several things. First, Justice Hull.

>> Thank you, Chief.

I call a question on Judge Rosenberg's motion.

>> Further discussion?

>> If that's a motion, if you're moving the previous question, it requires a second and there's no debate. It has to be voted on and requires a two-thirds affirmative vote.

>> Second.

>> Judge O'Malley seconds judge justice Hull's motion to have the substitute motion voted upon now.

>> The motion ends debate if it passes.

>> Thank you. At this time, it ends debate.

>> In the motion passes that he just made, that ends debate.

>> So we are voting on –

>> We're voting on ending debate.

>> All in favor of ending debate on the substitute motion. Those against.

Two nays. It appears that the substitute motion discussion has ended. Now we take up the vote on the substitute motion. Debate has ended. All in favor of the substitute motion, say aye.

>> I can't vote.

>> He's not voting. All opposed.

>> Yes, we're opposed.

>> Sorry, double negative.

>> I'm sorry, it was my fault. Substitute motion fails. The original motion is back on discussion. Any further discussion?

>> Yes, Chief.

>> Yes, Judge Ruben, then Judge Hull.

>> If I can make a statement on behalf of the CJA?

>> Please.

>> The first priority, we heard something similar to this morning is that the public has full-time access to our courts by keeping our courtrooms open and adequately staffed. The budget forecast is bleak. We're looking at cuts. Courts around the state have prepared for the worse and yet, may not be good enough. CJA's position with respect to CCMS deployment takes into account the deployment will adversely impact our branch priorities. Each taking into account the front loading of costs to deploy to the first 11 courts, the cost to do so is staggering. Under these circumstances, we at CJA that the council can pull forward, and that we back option three. We realize that different courts have different solutions, including different versions or V4. These council needs to work with the courts like San Luis Obispo who suffer from antiquated technology systems and who find themselves in the lurch. This we have to do within our the limits of our budget. Judges understands what appears or feels like us the downsizing of budget cuts helping us with our resources. We want to be as efficient as possible to answer the call of California's citizens. Technology is one of the keys that will keep our courtrooms open and fully functioning. There's many approaches and we heard several today. Part of the equation, to leverage the technology or we've been calling it parts for parts auto of CCMS. We should also I think consider asking the committee to work with the new technology committees that are being contemplated under option three, we agree with Dave Rosenberg on this, but establishing requirements, but in each court get a system that best fits it needs, allowing for the future that we've all envisioned, where our branch will have the enhanced communication between courts and to the public. This is one of several options that need to be explored, I think, or we think. In the end, we need to make sure that the courts have the technology necessary to respond to litigants in a social. We must become more efficient and effective, and the only acceptable means to accomplish this is fiscally responsible. Thank you, madam Chief.

>> Thank you, Judge Rubin. Mr. Robinson.

>> Yes, your Honor, as a member of the bar, I would say I'm listening to this and I'm probably the newest person to this topic, but I believe this. That the branch needs to be become a one again, united without fashion. That's what I'm picking up from my six months here. The bar and the bench, I think, needs a California statewide case management system. Now, there may be some modifications to that depending on counties, whatever, but I do think that the bar would like a statewide case management system. CCMS is too expensive, given our economy, our legislators opinions, and the public concerns about the branch spending right now. It makes sense to allocate up to the 8.7 million, analyze before, and the salvage of parts of CCMS. It also makes sense to step up to protect the county such as San Luis Obispo so that they have some sort of case management system as soon as possible. Part of the analysis should include vetting other vendors, such as Tyler and sustain, and others if possible. I think the Internal Committee could explore various possibilities, including Judge Rosenberg's separate but connected concept. What they should look at, whether you can find a county Ventura or Orange county or someone that has been using V3 previously that have the IT staff that would be willing to go and take a look at all aspects, family, juvenile, civil and criminal of V4. I don't know. That's the type of thing that this committee should evaluate. I really think that you're making the right decision here today and I once again, I support option three.

>> Thank you, Mark. Justice Hull.

>> Thank you, Chief. I've been a member of the council since January of 2011, just a little over a year but when I joined a year ago, the controversy of CCMS was already in full voice. I believe at that time it was my obligation to investigate as best I could into CCMS, learn about the program, learn about the plan, and Judge the manner in a fair and open minded way. As I've learned of the details of the CCMS program in the past year, I have come to the conclusion that it was a visionary project, is a visionary project that as we now know, one that we have and one that works. Frankly, those who say it does not work as of today are either woefully misinformed or deceit full to their own ends. I spent the better part of last year as most of you have, working together to see where we can financially deploy CCMS, a product that once die plowed would the envy of all of the people in the country, but a tremendous boom to the people in California. We have not found a way in which the state of California has found its way and given the financial constraints placed on the courts. Now we're faced with continued die employment to some courts, pausing the deployment, or terminate as we talked today, redesign a Court Case Management System or systems that will allow our courts and justice partners to move forward as best they can. As the Chief earlier noted, whichever of these three options that council approves today will receive criticism. If we go forward and spend the money necessary to a partial deployment, we'll be criticized. If we pause and still spend money for a case management system that may never be deployed, we'll be criticized. If we terminate CCMS, we'll be criticized, but the certainty of criticism is ultimately of no con question before us today. As to our options and I know we're about to vote on one of them, I regret to say as we've heard from others on the council that I could not in good conscious favor option one. The branch cannot afford option one given the need to prioritize use of the funds allowed to us by the legislature. As to option two, it has initial appeal for most of us and I think most of us believe that the deployment of CCMS one day would provide a benefit to the citizens of our states. Option two causes for a opportunity year pause, in reality, a two-year pause as we heard from Ms. Hatcher, as we would begin deploying. As I noted earlier in the presentation, I don't see any guarantee with going forward after a one-year pause, two-year pause, or even a five-year pause, and in the meantime we would be spending branch money on a system that may well be unobtainable. As to option three, the motion before us, recognizes our current reality. CCMS was a worthy goal, but one not ultimately achieved given the recession and the legislature's determination as to how much money would be available to the judicial branch during that recession. It's therefore appropriate in my view to rethink and redesign how we approach case management systems in the courts within the constraints of our financial wherewithal, an do so with a parallel effort to realize all of the advantages we can with the development of the CCMS program and I speak in support of the motion. Thank you.

>> Thank you, Justice Hull.

>> As many of you know, I've been a number one advocate for the use of technology in the courts. I was one of the first Judges to do real time with my court reporter. I was one of the first to have a computer at the bench, to advocate to research and communicate with e-mail to each other. I taught the computer classes to judges for many years. I chaired the committee on computer education. I've chaired the technology committees for both the Los Angeles Superior court and for the second District Court of Appeals, and I've on an since its inception since 1994. I still believe technology is crucial to our future, but we have the reality of where we are today. I would just answer justice's question, do we have to abandon everything completely. I feel very

strongly that we don't. I believe there are aspects to CCMS that can be utilized by other who's are entered the field. I agree that we can be flexible, we don't have to be tied to a complete system, but we can breakdown what might be used and see if there are aspects of it that can be offered to other technologies to this stay and in the country. Perhaps, who knows, it might be closer than we think. There might be something like the cloud that allows us to have systems that could connect. I don't know why technology move so quickly these days, but right now the trial courts wants to get their systems using. It's important that we strengthen our focus on those publics benefits. We have to focus on the local courts and it is a possibility, David, that these massive projects potentially have innovation, and I think that the trial courts should allowed to be innovative. I urge the council to refer the matter back to the CCMS internaling committee, pursue these other options, then report back to the council.

>> Judge.

>> I agree with the justice, so I won't resay it. I will add whatever we decide do today, we are here really at the benefit of many, many peoples work, their time, their energy, their hopes, their dreams some in this room, some in this building, some have retired. Whatever we do today, I hope we don't lose sight of the contributions that we will benefit from in our future, than we can take a moment to think all that we've done collectively because that I think we deserve to pat ourselves on the back. For it is a good product and we did this.

>> Thank you. Any further comment or discussion before I call for the vote? I see someone pointing at you, David.

>> She's nudging me so I have to speak. I just wanted to take a moment to say that the product that we have today, V4, has been the culmination of a lot of hard work by a lot of people for a number of years, and today we have a product that has been developed and tested, and it can do what it was originally designed to do, but for the fact that the cost of this project is what it is and because of the fact that we are facing these financial difficulties. The fate of V4 is going to be hinged upon those realities, but I don't want anybody, and I hope that the people who have worked on that project for these years, I hope they come away having confidence that their work was -- they delivered what they were tasked to do and I want to personally thank them for their efforts in that regard.

>> Thank you. Thank you, well said. All in favor of the motion to adopt option three as stated on the record by Judge Herman, seconded by justice Miller, say aye. All opposed.  
Matter passes.

>> Could I just take a moment and second what was said, and again, thank all of those who have put such an amount of time and effort, Mark, Jessica, Rene, Les, Justice has put his heart and soul in this over the years, did an excellent job. You all somebody commended for the work that you've done.

[APPLAUSE]

>> We're going to stand in recess for an afternoon break until 3:10.

>> As the old timer here, Ralph was the director when I started in the courts. We have worked, this branch has worked mightily. When I went to L.A. county, 27 municipal courts did not have an automated records system. Twenty-four separate courts came together and eventually developed that. That's almost half the number of counties, granted the scale is much different being but when you look at 100-judge Los Angeles court and a one Judge Malibu court there's were huge differences to overcome and we managed to come together and eventually do that. It wasn't easy. Fifteen or 20 years I worked on a project called JIBSUS. That was a project designed to try to get all the courts in the state to agree on common, common elements for a statewide computer system. It was an unbelievable struggle to do that. We made some steps and I think some of those things are part of what has been developed today. We have to keep going toward this single vision. We can't be going to the legislature asking for funding for this Court's system and this court's system, and choosing as this body, choosing which one you're going to support when the resources become short. We have got to work toward a single vision. Now, I'm not exactly sure what that means. Some feel that there are off the shelf products that can easily do this. I have never seen anything, including buying my apple 2E that was easily done in automation. Let's keep working on it and let's keep that vision. Thank you.

>> Thank you. Thank you for everything.

[APPLAUSE]

>> 3:10, please.

>> We'll get started on item F., which is the California Court Case Management System, maintenance and operation costs for courts with V2 and V3 interim case management systems.

>> Thank you. Virginia Sanders-Hinds, the group responsible for maintaining the V2 and V3 application also go through a slide to present the council the current status of those systems, the costs associated with maintaining them, and look for your direction moving forward.

>> Thank you.

>> Virginia.

>> Thank you, mark. Good afternoon. I know it's been a long day so I'll try to keep my time on the agenda short, but I do want to express my appreciation for the Chief Justice and the Council members for giving me this opportunity to make my presentation on behalf of V2 and V program.

>> Thank you.

>> V2 is the application that supports the criminal and case -- criminal and traffic case types. It's deployed in the Fresno Superior Court. The three is the civil small claims, pro bait, mental health system, and it's die employed in six counties, L.A., San Diego, Orange County, Sacramento, and San Joaquin. The focus is on the budget, developed by a third party vendor. Both V2 and V3 were transitioned to the AL C after we looked at the cost savings we could achieve after bringing it in-house. Both they're fully supported by an in-house team and it will be critical to reference the savings we'll be see on an ongoing basis. What we're looking at now, the next fiscal year, 12-13, what we need in order to support those applications. We have two options that we are putting forward. The first option is to maintain the current level of funding that we projected for 12-13, and V2, it's \$4,139,117. For V3, the budget we projected is \$11,967,764. The one thing Thai do want to mention with respect to the budget for both V2 and V3, when we reported the budget last year in July, we were reporting our budget for V2 and also for V3. Through staff reductions and basically reducing our hardware footprint for V2, we've been able to reduce that budget by a little over \$2 million, so back in July last year projecting 6.5 million, and now we're looking at a budget for 4 million for V2. V3, we haven't been able to make such an aggressive reduction, but we were able to make a reduction of a little over 500,000, so we're under budget we projected last year. This is option one.

Option two -- I'm sorry, Jessica, let me back up so you can understand W respect to option one, what we're looking at is the ongoing maintenance and support for the application on an ongoing basis. Our team has to support the legislative updates that we get annually and oftentimes during the year as well much there's the mediation that the team has to address. We have hardware and software refresh, that's something that is an ongoing process that we do to keep the system in a healthy state, and again, as you see, we're going to continue to look at cost savings initiatives in the same way we were able to achieve cost reductions over the past year, that's activity we undergo on an ongoing basis, so we'll continue do that as well. Thank you. Option two, what we're looking at here is increasing the resources for V3.

One of the things that we've done over the past couple of years is as we've looked at the CCMS development, there have been enhancements that we have received requests for that we haven't implemented simply because we were waiting the implementation of CCMS and it did not really make sense to begin those enhancements to go to V3. What we're considering with option two is going ahead with the larger enhancements. What we're look at is the caption system that presently in V3 there are opportunities to improve that, to make it more efficient, to make it more useful for the folks in the court, and then there's also the judicial officer module. There's enhancements that there that we've have requests for. For those two major enhancements we're looking for additional. What happens there, we have an additional million dollars, a little over a million that we're looking to have in the budget for 12-13. Those are basically the two options. Either to fund us at the level that we presented before the 4 million, and to increase the funding for 12-13 for V3 to enable to go forward with additional modifications to the V3 application. That's pretty much it.

>> I have a question. What's Fresno's plan if CCMS isn't going to go out? I notice that they're one of the critical counties. Are they planning to keep V2?

>> That's the point, yeah. At this point, Fresno would maintain V2 until another solution is put forward, but there's no plan under either of these options to make changes for Fresno at this point.

>> I believe Fresno's critical need was in a case type other than criminal and traffic. Justice Baxter, any comment?

>> No, no comment.

>> Yes, Judge Moss.

>> I've asked before and I still don't understand, V3 is now a legacy system in seven courts, really six courts, five courts, excuse me, and the Chief information officers in all of those courts have all been talking and they think they can maintain. The people in Orange county know the code. They can maintain the code for all five courts themselves without AOC involvement and I think for less money. I just wonder why isn't that option being considered? Why did we just continue on with wait we've always done it instead of trying something that would cost us potentially less money?

>> The answer to that is that the IT working group as part of the operations committee of CCMS has just recently been formed and one of the objectives, my understanding of that group is to look at exactly those types of things, where it makes most sense to move this to. But since that hasn't been moved beyond even a discussion at this point, we need to prepare for the eventuality that we'll need to continue supporting V3.

>> Why shouldn't the motion be to fund touch that amount, but have these issues looked at? I'm glad that Judge Herman is not here so we can assign in essence the same way we did under option three.

>> I think that's appropriate, justice with one note, that is that the IT working group that was recently formed is under the operations committee as part of justice's structure, which reports into Judge Herman's committee.

>> Right. But I know what he's looking at is a reorganization of that entire structure, so it may be during this interim that's who he assigns it to look at, then provide that to him along with you make a recommendation to us. There's only five courts using V3. I don't get why we can't bring forward what we want to do. Why does it have to be filtered through so many people that don't have anything do with the system in one sense? We're the ones that use the system. Let's us make a proposal. We want to make it live. Let us make a proposal as to how do that. I'm sorry if Fresno says they have a different case type more important than criminal, they're spending 4 million bucks of our money to maintain one system. I think we have to ask them and the AOC to look at some alternative to replace that and eliminate that costs. I don't think it's fair to the rest of the system to let them spend 4 million per criminal in contract.

>> That's the analysis in part that Judge Herman's committee is going to do. There's nothing that is going to prevent V3 courts getting together to figure out a way to do some more cost effective

basis, but in the meantime certain things need to be done and that's why I would move adoption option number two on to that amount. These other issues are referred to Judge Herman's committee, they'll come back to us with their suggestions.

>> And can you make your -- there's nothing stopping you from making that recommendation to him.

>> You said option two.

>> He just moved two.

>> So option two is on the table, but haven't heard a second, so we'll hear from Edith.

>> I was going to express my amusement that one court is told by another court to change their system.

>> Thank you for that observation.

>> I'll second.

>> You'll second the motion, and Kim Turner.

>> So, I think it's time to perhaps have a philosophical discussion about whether or not the branch should fund enhancements to the V3 system. I understand the 11,967,000 is to keep things status quo budge if the courts want an additional slightly over a million dollars of functionality in V3, it might be worthwhile to do that, because I want more functionality in my case management system, I pay for it. I think for the courts on V3, perhaps there's a way they can get together and share the costs of the module and functionality, rather than coming out over the branch online.

>> Thank you. Judge De Alba.

>> I was to second.

>> Which Justice Miller did. Justice Miller.

>> I think all of that is incorporated with funding it up to that amount and assigning this to Judge Herman's committee to look at all of those issues, to take an offer from the five courts Again, I think that's all encompassed within that.

>> The motion is to adopt option two; correct? Judge Rosenberg.

>> At the risk of getting a reputation of making substitute motions, I would like to make a substitute motion to adopt option one with all the caveats that were in the other motion. In other words, it would still be assigned to Judge Herman's committee and up to that amount.

>> Okay.

>> Same caveats, but just option one.

>> Second.

>> Can we call that a Rosenberg motion?

[LAUGHTER]

>> So Judge Wesley has seconded the substitute motion of option one with the same directional path and caveat. I'm not taking it out of order so you don't think I am, but I wanted to make the note that Judge so moved for option two. Any further discussion for option one? All in favor of substitute motion option one, please say aye. All opposed. You won. Okay, so it's option one –

>> Chief, now that Judge Herman is not here, I can resign from Herman's?

>> We're going to bring more people in.

>> For the 8:00 o'clock meetings. Item G, is not an action item, I think we can proceed to that.

>> Yes. Wes Butler will be back to inform the council about the 16 million-dollar delayed reimbursement for Deloitte Consulting, LLP.

>> Good afternoon.

>> This item will be quick, I believe. It's just for information and I want to talk about the delayed reimbursement from Deloitte Consulting, LLP in the \$16 million. When we went through vendor testing with CCMS, vendor testing the last testing, where the vendor validates it works before that hand it over to AOC for all product testing. 13 During that phase, there was a lot of issues identified from courts in AOC that indicated there were quality issues with CCMS, so we went back to Deloitte and they acknowledged that those issues would cause a 10-month delay. So Deloitte were on the hook to correct the issues and reimburse the AOC for the incurred costs for the delay. There were two reimbursement options we discussed and negotiated with Deloitte. The total is \$16 million which we throw around. There's two reimbursement options that we discussed with them. The first was an in-kind deployment to Fresno that was valued at \$16 million and the second was a cash reimbursement of 16 million-dollars to the branch. Next slide. So the Fresno deployment was predicated upon us having completed at least one early adoptive court and being close to completion on it. When this was negotiated, these plans were in place. That obviously hasn't happened, but the reason was Deloitte would reuse the tools, the configuration and templates that were done early through the adoptive courts much the other kind of requirement that we have a statement of work with Deloitte for the Fresno deployment before the end of March, March 31, 2012, which is a few days away. We could elect to receive 16 million-dollars in cash, so in the contract written, after October 16th we could elect to receive that 16 million-dollars in cash and if we don't have a Fresno statement of work in place by the end of March, then we are deemed to have selected to receive that 16 million in cash. That's

basically where we are today. We will get that 16 million-dollars in cash, it will come back to the branch. There's some caveats that to talk about this reimbursement. How the money is allocated depends on what fiscal year we spend the funds and the fund source we put it back to. So, if it's 11-12 expenditure and we want to put it back to the trial court trust fund it, would require appropriation authority and department of finance and children of the legislative budget committee. If it's a trial court improvement fund, it would not require additional approval. If it's a modification fund, it requires authorization from the department of finance. If we put the money into fiscal year 12-13, the trial court trust fund, then we have sufficient authority, or at least sufficient authority is anticipated. If it's the improvement fund, it doesn't require additional approval from the other branches of government. If it's the modernization fund it, requires additional appropriation authority and approval from the department of finance. So that kind of sums up the \$16 million. There will be a addition that needs to be made over what year, fiscal year that goes into and what fund it goes into. If there's other questions around that, Bob is probably the best person to ask the questions to.

>> Mr. Butler, I was curious, depending upon what fund it's placed into, are the restrictions then on how the money may be spent?

>> Yes.

>> So, for instance, if we put it in the trial court improvement fund where we need no additional authority to be able to put it in there, what kind of restrictions then are placed on us using the money?

>> I don't think it's an issue. In theory, it would have to be with the programs we approve out of the fund. Most of the fund as I understand it should be going back to the trust fund based upon the funds were spent, so--we haven't done a final cyst on all of the places where the funds came from, but the bulk of it should go back to the trust fund and there's no restrictions it, as long as it's consistent with the expenditure authorities, there's no other issues. It's a matter of authority froth legislature.

>> What about trial court operations?

>> It's just now cash in the fund so it's available resources.

>> Okay.

>> any other questions or comments? Thank you. Good news.

>> For once from me. This concludes our agenda for today, but I think it really bears repeating that I know this council has made great effort to really understand the history of CCMS, and also its challenges, and the development of evolution to completion, but I think everyone here has become that much more of an expert on the process, the concerns, and then the governor's policy who's also seem to coincide with a statewide computer system. I thank you all for your deliberations and the exchange of information, and bringing a statewide prospective, regardless of the courts you come from and what your Court's interests are to have a statewide prospective

of what the branch will look like 12 years from now. When we come to the Judicial Council, we have a global aerial view. I thank you for your effort and dedication. It's been a lot of hard work and everybody has held up admirably. I want to thank Judge Herman and the Internal Committee for all of the work you've done on bringing council up to speed. Thank you.

[APPLAUSE]

And part of my gratitude goes to the justice for having labored for quite a while on bringing CCMS to fruition and helping the rest of us to understand it. We're about to adjourn. I just remind you that our next regularly scheduled meeting is April 23rd and 24th. Safe travels. Thank you.



