

Trial Court Budget Advisory Committee
AOC Sacramento Office – 2860 Gateway Oaks Drive, Suite 400
Minutes for Meeting of June 3, 2014

Trial Court Budget Advisory Committee members present: Judge Laurie M. Earl, Co-Chair, Zlatko Theodorovic, Co-Chair; Judges Thomas J. Borris, Rene A. Chouteau, C. Don Clay, Mark A. Cope, Thomas DeSantos, Barry P. Goode, Lloyd L. Hicks, Elizabeth W. Johnson, Marsha Slough, Robert J. Trentacosta, Brian Walsh, and David S. Wesley; court executive officers Sherri R. Carter, Jake Chatters, Richard D. Feldstein, John Fitton, Rebecca Fleming, Kimberly Flener, Shawn C. Landry, Deborah Norrie, Michael D. Planet, Michael M. Roddy, Brian Taylor, Mary Beth Todd, Tania Ugrin-Capobianco, Christina M. Volkers, and David H. Yamasaki; advisory members present: Curt Child, Jody Patel, Curt Soderlund.

Members absent: Judge Loretta M. Begen and Judge Laura Masunaga.

Public Comment

No in-person public comment was presented.

Written Comments Received

No written comments were received.

Approval of Minutes

The minutes of the March 25 and April 17, 2014 Trial Court Budget Advisory Committee (TCBAC) meetings were approved unanimously.

Item 1 – Governor’s May Revision Budget Proposal and Legislative Budget Hearings

This was an update and discussion regarding the latest activity regarding the 2014 budget and the current and projected status of various funds. No action was taken.

Item 2 – Workload-Based Allocation and Funding Methodology (WAFM) Allocations for 2014–2015

This was a discussion item with no action taken. A review of recent changes to the WAFM and the subsequent decline in funding need for 2014–2015 was discussed. Jake Chatters stated that the subcommittee decided not to recommend changes to the model for 2014–2015 based on the Department of Finance’s reduction in the level of retirement benefits funding in the May Revision based on some courts paying a portion of the employee share of the retirement contribution.

Item 3 – Benefits Funding Allocation for 2014–2015

This was a discussion item with no action taken. Judge Earl stated that a small group of committee members led by Mary Beth Todd will be meeting on this subject and will present options for allocation of the benefits funding included in the final 2014 budget for the full committee to consider at its July meeting.

Item 4 – Addressing Projected Negative Fund Balance in the State Trial Court Improvement and Modernization Fund (STCIMF)

The committee approved unanimously the three recommendations with an amendment to recommendation 3. The recommendations to be presented to the Judicial Council at its June 27 meeting are to:

1. Retain a \$6.3 million allocation for the V2 and V3 programs in the Trial Court Trust Fund (TCTF).
2. Exempt the Workers' Compensation Reserve allocation from the reduction.
3. Implement an 11.7 percent allocation reduction at the Administrative Office of the Courts (AOC) division level and request the three divisions, in consultation with the relevant advisory committees and stakeholders, to recommend how the reduction should be allocated to the programs and projects managed by the divisions.

Item 5 – TCTF Allocations for 2014–2015

A motion was made and approved unanimously to adopt the recommendation of the Revenue and Expenditure Subcommittee of the TCBAC to maintain the TCTF program allocations at their 2013–2014 levels, as follows, which will be presented to the Judicial Council at its June 27, 2014 meeting:

- court-appointed dependency counsel (\$103.7 million)
- jury (\$16 million)
- self-help centers (\$2.5 million)
- replacement screening stations (\$2.3 million)
- elder/dependent adult abuse (\$332,000).

Item 6 – TCTF Children's Waiting Room (CWR) Distribution Request Process

A motion was made and approved unanimously to adopt the recommendations of the Revenue and Expenditure Subcommittee to be presented to the Judicial Council at its June 27, 2014 meeting.

Recommendation 1 – Process for Requesting a CWR distribution

- A court's Presiding Judge or Executive Officer must submit a request to the Director of the AOC Fiscal Services Office 45 days prior to the date of the council meeting that the court is requesting consideration.
- The request must include the following information:
 - Date of the council meeting that the court is requesting consideration.
 - Requested effective date of the distribution.
 - The scheduled opening date of the CWR(s).
 - Description of the CWR(s).
 - The date when the court intends to make expenditures related to operating its CWR(s).
 - The requested distribution amount between \$2 and \$5. Courts can request the AOC Fiscal Services Office to provide an estimate of annual distributions.
 - Amount of unspent distributions (for reapplications only).

- Require the TCBAC to make a recommendation to the council on a court's request since a CWR distribution reduces the funding that supports all courts' base allocation.

Recommendation 2 – Requirement for Reapplying for a CWR Distribution

- Require courts that have received a distribution prior to July 1, 2014 but are not currently operating a CWR to reapply for a distribution.
- Require courts that receive a distribution effective July 1, 2014 or after but have not operated a CWR 6 months after their planned opening date of the CWR to reapply for a distribution.
- If the council denies a request, it has the option to direct the court to return any unspent distributions to the TCTF.

Item 7 – TCTF Criminal Justice Realignment Allocation for 2014–2015

A motion was made and approved unanimously to adopt the recommendation of the Criminal Realignment Subcommittee of the TCBAC. (Note, while the approved recommendation says the July meeting, the matter will actually be presented at the June meeting.)

Recommendation – Two Allocations of \$4.6 Million

- Allocate \$4.6 million at the July 2014 Judicial Council meeting based 50 percent on population (each court's percentage of the statewide population of individuals on Post Release Community Supervision (PRCS) and parole) and 50 percent on the most current available workload data submitted to the Criminal Justice Court Services Office (CJCSO) pursuant to Penal Code section 13155 (each court's percentage of the statewide number of petitions filed and court motions made to revoke/modify PRCS and parole).
- Allocate the remaining \$4.6 million early in 2015 based solely on the most current available workload data submitted to the CJCSO pursuant to Penal Code section 13155 (each court's percentage of the statewide number of petitions filed and court motions made to revoke/modify PRCS and parole).
- Approve both allocation methodologies at the July 2014 meeting, therefore avoiding the need for consideration at a second TCBAC or council meeting for the second allocation.

Item 8 – Allocation of 2 Percent TCTF Reserve

A motion was made and approved unanimously to make the following recommendation to the Judicial Council.

Recommendation – Adopt the methodology approved by the Judicial Council in 2012–2013 and 2013–2014 for allocating each court's contribution to the 2 percent TCTF reserve in 2014–2015.

A second motion was made and also approved unanimously to have a small group evaluate the entire 2 percent TCTF reserve process, including whether any statutory changes should be made to Government Code section 68502.5. The members who volunteered to participate in the group are Judge Cope, Judge Goode, Sherri Carter, Michael Planet, Mike Roddy, Mary Beth Todd, and David Yamasaki.

Item 9 – Budget Change Proposal Priorities for 2015–2016

As no actual motion was made by the committee, Judge Earl stated that the TCBAC would go forward with recommending to the Judicial Council at its June 27, 2014 meeting, that BCPs be

prepared and submitted to the DOF for the six trial court priorities from the Chief Justice's Three-Year Blueprint ranked as follows:

1. Trial court reinvestment – closing the funding gap
2. Trial court employee benefit and salary increases
3. Technology
4. Judgeships – second set of 50 (AB 159)
5. Court facilities – modification projects, increased operating costs for new and renovated courthouses, and maintenance of trial court facilities
6. Court-appointed dependency counsel.

Judge Earl also stated that a placeholder BCP requesting changes to the statute governing the 2 % TCTF reserve would be included as a priority, in the event that the evaluation of the process results in the need for any statutory changes.

Zlatko Theodorovic stated later in the meeting that if funding to address the TCTF and STCIMP shortfalls is not included in the final 2014 budget, 2015–2016 BCPs will be prepared and submitted for funding in these areas.

Item 10 – Encumbrance and 1 Percent Cap Guidelines

A motion was made and approved unanimously to adopt the recommended guidelines contained in Attachment 10B to the meeting materials for the council's consideration at its June 27, 2014 meeting. Attachment 10C provides questions and answers that apply the guidelines to various situations. Attachment 10D is a draft template for courts to compute and report their 1 percent cap amount, excludable fund balance, and the amount of fund balance above the 1 percent cap that is subject to an allocation reduction.

Item 11 – Cash Advance

A motion was made and approved unanimously to adopt the recommendations for revising the Supplemental Funding application form and process, with an amendment proposed by the TCBAC, for consideration by the Judicial Council at its June 27, 2014 meeting:

- Courts submit cash advance requests 30 days prior to the date when the cash is needed. An item will be added to the form requiring courts to indicate why they can't meet the 30-day notice if they submit the application in less than 30 days from the date the funding is needed.
- Require courts to complete up to two request templates (Estimated Cash Flow Worksheet and Budget and Actual/Projections template). The AOC's Treasury unit staff will assist courts in completing the templates.
- Change the number of business days that the Director (of the Fiscal Services Office) will render a decision to 10 days from 5 days.

Item 12 – Security Growth Funding

This was a discussion item with no action taken. A small group led by Shawn Landry will be meeting to discuss this topic and will bring back options/recommendations to the TCBAC when they feel it is timely.

Next Meeting

Judge Earl announced that the next meeting of the TCBAC will be held in Sacramento on Monday, July 7 to address a variety of budget issues in advance of the July 29 Judicial Council meeting.