

October 12, 2016 TCBAC Action by E-Mail between Meetings

1. The Fiscal Planning Subcommittee unanimously recommends that the Trial Court Budget Advisory Committee recommend the Judicial Council approve the following increases in the amount of the FY 2016–2017 cap on the Children’s Waiting Room fund balance the named courts can carry forward from one fiscal year to the next:
 - a. \$67,946 for the Superior Court of Contra Costa County.
 - b. \$552,329 for the Superior Court of Orange County, and
 - c. \$455,732 for the Superior Court of Santa Barbara County (see Attachments C1, C2, and C3).

2. The Fiscal Planning Subcommittee unanimously recommends that the Trial Court Budget Advisory Committee review, and clarify if necessary, the *Children’s Waiting Room (CWR) Distribution and Fund Balance Policy* regarding CWR cap adjustment requests covering more than one fiscal year.

Attached is the draft report to the Judicial Council that provides background and the rationales for the proposal and that assumes the recommendation is approved by the TCBAC.



JUDICIAL COUNCIL OF CALIFORNIA

455 Golden Gate Avenue · San Francisco, California 94102-3688

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on October 27-28, 2016

Title	Agenda Item Type
Trial Courts: Children's Waiting Room Fund Balance Cap Adjustments	Action Required
Rules, Forms, Standards, or Statutes Affected	Effective Date
None	October 28, 2016
Recommended by	Date of Report
Fiscal Planning Subcommittee of the Trial Court Budget Advisory Committee Hon. Jonathan B. Conklin, Chair	October 4, 2016
	Contact
	Colin Simpson, 415-865-4566 colin.simpson@jud.ca.gov

Executive Summary

The Trial Court Budget Advisory Committee recommends the Judicial Council approve three requests to adjust the requesting trial courts' Children's Waiting Room fund balance cap. On June 26, 2015, the Judicial Council revised its Children's Waiting Room (CWR) Distribution Policy, adopting a revised policy that was recommended by the Trial Court Budget Advisory Committee (TCBAC) and places a cap on CWR fund balance. Under the Judicial Council-adopted process, courts wanting a cap adjustment must submit a request explaining the extenuating circumstance and including its CWR expenditure plan for consideration by the TCBAC and the Judicial Council. The total amount requested by the trial courts that would increase their CWR fund balance cap is \$1.1 million. Staff also are reporting the returned CWR fund balance amounts in FY 2016–2017 through one-time reductions to those courts' allocations.

Recommendation

Based on actions taken at its October XX, 2016, meeting, the Trial Court Budget Advisory Committee (TCBAC) recommends that the Judicial Council, effective October 28, 2016:

1. Increase the amount of the FY 2016–2017 cap on the Children’s Waiting Room fund balance the courts can carry forward from one fiscal year to the next by \$67,946 for the Superior Court of Contra Costa County, \$552,329 for the Superior Court of Orange County, and \$455,732 for the Superior Court of Santa Barbara County (see Attachments C1, C2, and C3).

Attachment A, *Children’s Waiting Room (CWR) Distribution and Fund Balance Policy*, provides the recommendations proposed by the TCBAC and approved by the Judicial Council at its June 26, 2015, business meeting. Attachment B, *Children’s Waiting Room Distributions, Fund Balance, and Estimated Cap Reductions*, provides a summary of the court fund balance caps (column D), fund balances (column H), pending adjustment requests (column K), and confirmed reductions (column L).

Previous Council Action

The council first adopted a policy and procedure on court requests for Children’s Waiting Room (CWR) distributions pursuant to Government Code section 70640 on June 27, 2014. On December 12, 2014, the council amended the process for courts to request CWR distributions to specify that courts applying for new CWR distributions can request that distributions begin no more than one year in advance of the planned opening date of the CWR, unless there are extenuating circumstances. In addition, it amended the process for courts to request CWR distributions to specify that once any court’s request to decrease its existing CWR distribution is approved by the Judicial Council, the request can be implemented by Judicial Council staff, effective either January 1 or July 1.

On June 26, 2015, the Judicial Council revised its CWR Distribution Policy, adopting a revised policy that was recommended by the Trial Court Budget Advisory Committee and which places a cap on the amount of CWR fund balance that courts can accumulate and, in specific circumstances, require courts that temporarily or permanently cease operating any CWRs to return CWR fund balance to the Trial Court Trust Fund and discontinue those courts’ CWR distributions (see link for the TCBAC report to the council: <http://www.courts.ca.gov/documents/jc-20150626-itemH.pdf>). The cap equals the highest annual distribution within the three most recent fiscal years.

Prior the adopting a policy on June 27, 2014, the only requirement related to operating a CWR adopted by the council appears to be standard 10.24 of the Standards of Judicial Administration:

Each court should endeavor to provide a children’s waiting room located in the courthouse for the use of minors under the age of 16 who are present on court premises as participants or who accompany persons who are participants in court proceedings. The waiting room should be supervised and open during normal court hours. If a court does not have sufficient space in the courthouse for a children’s waiting room, the court should create the necessary space when court facilities are reorganized or remodeled or when new facilities are constructed.

Rationale for Recommendation

The TCBAC Fiscal Planning Subcommittee, at its October 4, 2016, meeting, and the TCBAC, at its October XX, 2016, meeting, approved the recommendations provided in this report.

Approving these adjustments will allow two of the requesting courts to maintain their current level of CWR operating expenditures that they could not without utilizing significant amounts of their CWR fund balance due to the steady decrease in CWR distributions of several years. For the other requesting court, approving the adjustments will allow the court to furnish a newly constructed children's waiting room as well as update another existing children's waiting room while also expanding the hours of service to two children's waiting rooms.

CWR distributions to trial courts from first paper filing fee revenues deposited into the Trial Court Trust Fund (TCTF) can be spent only on costs associated with operating a CWR. CWR distributions that are not needed by a court would otherwise be retained in the TCTF and used to support trial court operations allocations or become unrestricted fund balance that could be allocated by the council for other purposes. Section D of the revised policy requires courts to monitor their CWR distribution amount per filing to ensure it is adequate to meet their CWR needs without accumulating an amount in excess of a cap that is equal to their highest annual CWR distribution within the three most recent fiscal years (see columns A through D of Attachment B). As approved, effective July 1, 2015, courts whose CWR fund balance exceeds the cap by the end of a given fiscal year are required to return the amount above the cap to the TCTF, unless the council approves a court's request for a cap adjustment.

Based on an opinion from Judicial Council legal staff, the TCBAC believes there is no prohibition on courts returning CWR fund balance to the TCTF and that returned CWR fund balance becomes unrestricted revenue when deposited into the TCTF. The return of CWR fund balance is accomplished through the TCTF distribution process.

Comments, Alternatives Considered, and Policy Implications

No public comments were received when the recommendations were considered by the TCBAC's Fiscal Planning Subcommittee at its October 4, 2016, meeting nor the TCBAC's October XX, 2016, meeting. Further, no alternatives were considered by the subcommittee.

Implementation Requirements, Costs, and Operational Impacts

There is no additional cost to adjusting the courts' cap amounts. However, an increase to these cap adjustments does result in those courts avoiding an allocation reduction in the amount of the adjustments which would have resulted in an increase to the Trial Court Trust Fund fund balance. In their attached applications (see Attachments C1, C2, and C3), the requesting courts provided the consequences to court operations, the public, and access to justice if their requests were not approved.

Relevant Strategic Plan Goals and Operational Plan Objectives

The Judicial Council-approved Children’s Waiting Room distribution and fund balance policy is consistent with strategic Goal II, Independence and Accountability, in that it helps courts to “[a]llocate resources in a transparent and fair manner that promotes efficiency and effectiveness in the administration of justice, supports the strategic goals of the judicial branch, promotes innovation, and provides for effective and consistent court operations” (Goal II.B.3).

Attachments

1. Attachment A: *Children’s Waiting Room (CWR) Distribution and Fund Balance Policy*
2. Attachment B: *Children’s Waiting Room Distributions, Fund Balance, and Estimated Cap Reductions*
3. Attachment C1: Request for Children’s Waiting Room Fund Balance Cap Adjustment—Superior Court of Contra Costa County
4. Attachment C2: Request for Children’s Waiting Room Fund Balance Cap Adjustment—Superior Court of Orange County
5. Attachment C3: Request for Children’s Waiting Room Fund Balance Cap Adjustment—Superior Court of Santa Barbara County

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Children's Waiting Room (CWR) Distribution and Fund Balance Policy

A. Applying for a New CWR Distribution

- A court's presiding judge or executive officer must submit a request to the director of the Judicial Council Finance Office 45 days prior to the date of the council meeting at which the court is requesting consideration.
- The request must include the following information:
 - Date of the council meeting at which the court is requesting consideration.
 - Requested effective date of the distribution (July 1 or January 1). If a court wants to begin receiving distributions more than one year in advance of the planned opening date of a CWR, the request should include an explanation of the extenuating circumstance(s).
 - 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 Judicial Council Finance Office to provide an estimate of annual distributions.
- The Trial Court Budget Advisory Committee (TCBAC) will make a recommendation to the council on each court's request.
- If the council approves that distributions begin prior to the operating of a CWR but the court does not operate a CWR six months after their planned opening date, the court must apply for a continued distribution.

B. Requesting a Decreased CWR Distribution Amount

- Any court's request to decrease its existing CWR distribution is approved by the Judicial Council and the request can be implemented by Judicial Council staff, effective either January 1 or July 1.

C. Temporarily or Permanently Ceasing CWR Operations

- Courts that cease operating all CWRs must notify the director of the JC Finance Office within 60 days of the cessation date. Unless a court provides notification and submits an application to continue receiving distributions while not operating a CWR within 60 days of the cessation date, the court's CWR distributions will be stopped either January 1 or July 1, whichever is earlier, and the court will be required to return any CWR fund balance to the TCTF.
- For courts that are required to return all of their remaining CWR fund balance to the TCTF, the return of the CWR fund balance will occur on the February trial court distribution for those courts that the CWR distribution stopped on January 1, and on the August distribution for those courts that the CWR distributions stopped on July 1.
- If there is a dispute between a court and JC staff over the amount of CWR fund balance that should be returned to the TCTF, the dispute will be brought before the TCBAC and the Judicial Council if the two parties cannot come to a resolution within 90 days of the cessation date.

- An application for a continued distribution must include all the information required of courts applying for a new distribution (see section A above) as well as the amount of any CWR fund balance.
- The TCBAC will make a recommendation to the Judicial Council on each court's application.
- For courts that apply and whose application is denied by the Judicial Council, any CWR fund balance shall be returned to the TCTF.

D. Cap on CWR Fund Balance

- Courts shall monitor the CWR distribution amount per filing to ensure it is adequate to meet the CWR needs of the court without accumulating an amount in excess of the cap described below.
- Effective July 1, 2015, there shall be a cap on the amount of CWR fund balance that courts can carry forward from one fiscal year to the next. The cap shall be the amount of the highest annual distribution within the three most recent fiscal years.
- Courts that have a CWR fund balance greater than the cap (as described above) at the end of the fiscal year will be required to return to the TCTF the amount above the cap in the subsequent fiscal year.
- For courts that are required to return the portion of their CWR fund balance above the cap to the TCTF, the return of the CWR fund balance will occur on the August trial court distribution.
- If there is a dispute between a court and JC staff over the amount of CWR fund balance that should be returned to the TCTF, the dispute will be brought before the TCBAC and the Judicial Council if the two parties cannot come to a resolution within 90 days of the end of the applicable fiscal year.
- The cap applies only to courts that have received at least 12 months of distributions in a fiscal year while operating a CWR.
- If a court wants a cap adjustment, it must submit a request explaining the extenuating circumstance and including its CWR expenditure plan to the director of the JC Finance Office for consideration by the TCBAC and the Judicial Council. The request must be received by the Finance Director within 60 days of the end of the fiscal year for which the adjustment is being requested.
- JC staff will report any return of CWR fund balance through the trial court distribution process to the TCBAC and the Judicial Council.

E. Courts that have Received a Distribution but Never Operated a CWR

- Courts that received distributions between January 1, 2006 and June 30, 2014 but did not operate a CWR during that time period must either apply for a continued distribution by September 26, 2015 or have their distributions stopped and return to the TCTF any CWR fund balance.
- For courts that are required to return all of their remaining CWR fund balance to the TCTF, the return will occur on the October 2015 trial court distribution.
- If there is a dispute between a court and JC staff over the amount of CWR fund balance that should be returned to the TCTF, the dispute will be brought before the TCBAC and the Judicial Council if the two parties cannot come to a resolution within 90 days of the cessation date.

Children's Waiting Room Distributions, Fund Balance, and Estimated Cap Reductions

Attachment B

Court	2012-13	2013-14	2014-15	Highest Dist.	Info Only				Calculated CWR Reduction	Court Confirmed Reduction	Pending Adjustment Requests	Confirmed Adjusted Reductions
					CWR 12-13 Fund Balance	CWR 13-14 Fund Balance	CWR 14-15 Fund Balance	CWR 15-16 Fund Balance				
	A	B	C	D	E	F	G	H	I	J	K	L
Alameda	192,017	174,397	165,434	192,017	686,962	552,196	417,014	269,323	(77,305)	(77,305)	-	(77,305)
Alpine	-	-	-	-	-	-	-	-	-	-	-	-
Amador	-	-	-	-	-	-	-	-	-	-	-	-
Butte	-	-	21,312	21,312	-	-	13,736	6,148	-	-	-	-
Calaveras	-	-	-	-	-	-	-	-	-	-	-	-
Colusa	-	-	-	-	-	-	-	-	-	-	-	-
Contra Costa	131,087	126,632	106,292	131,087	1,102,688	1,114,391	1,092,262	1,044,995	(913,908)	(913,908)	67,946	(845,962)
Del Norte	-	-	-	-	-	-	-	-	-	-	-	-
El Dorado	21,064	18,305	-	21,064	223,924	244,327	244,892	245,806	(224,742)	(245,806)	-	(245,806)
Fresno	112,844	108,094	98,711	112,844	88,885	67,042	34,043	-	-	-	-	-
Glenn	-	-	-	-	-	-	-	-	-	-	-	-
Humboldt	-	-	-	-	-	-	-	-	-	-	-	-
Imperial	-	-	-	-	-	-	-	-	-	-	-	-
Inyo	-	-	-	-	-	-	-	-	-	-	-	-
Kern	-	-	-	-	-	-	-	-	-	-	-	-
Kings	-	-	-	-	-	-	-	-	-	-	-	-
Lake	-	-	-	-	-	-	-	-	-	-	-	-
Lassen	-	-	-	-	-	-	-	-	-	-	-	-
Los Angeles	990,928	936,724	829,265	990,928	1,538,379	1,295,985	853,148	539,503	-	-	-	-
Madera	-	-	-	-	-	-	-	-	-	-	-	-
Marin	-	-	-	-	-	-	-	-	-	-	-	-
Mariposa	-	-	-	-	-	-	-	-	-	-	-	-
Mendocino	-	-	-	-	-	-	-	-	-	-	-	-
Merced	24,586	22,732	20,851	24,586	-	73,472	92,638	-	-	-	-	-
Modoc	-	-	-	-	-	-	-	-	-	-	-	-
Mono	-	-	-	-	-	-	-	-	-	-	-	-
Monterey	-	-	35,124	35,124	-	-	35,157	68,223	-	-	-	-
Napa	-	-	-	-	-	-	-	-	-	-	-	-
Nevada	-	-	-	-	-	-	-	-	-	-	-	-
Orange	457,064	423,422	376,107	457,064	1,635,422	1,551,428	1,287,568	1,009,393	(552,329)	(552,329)	552,329	-
Placer	-	-	-	-	-	-	-	-	-	-	-	-
Plumas	-	-	-	-	-	-	-	-	-	-	-	-
Riverside	320,048	290,080	254,609	320,048	80,884	138,516	138,470	123,107	-	-	-	-
Sacramento	296,199	279,388	241,942	296,199	167,492	189,662	190,408	451,860	(155,661)	(155,661)	-	(155,661)
San Benito	-	-	-	-	-	-	-	-	-	-	-	-
San Bernardino	-	-	-	-	-	-	-	-	-	-	-	-
San Diego	414,159	383,285	350,800	414,159	0	0	0	-	-	-	-	-
San Francisco	119,899	112,455	106,721	119,899	23,494	(0)	(0)	-	-	-	-	-
San Joaquin	-	-	-	-	-	-	-	-	-	-	-	-
San Luis Obispo	29,848	26,818	24,872	29,848	238,015	265,080	290,713	315,631	(285,783)	(285,783)	-	(285,783)
San Mateo	80,444	77,519	66,316	80,444	-	268	971	9,886	-	-	-	-
Santa Barbara	47,540	43,866	39,718	47,540	541,514	525,468	516,950	503,272	(455,732)	(455,732)	455,732	-
Santa Clara	188,961	177,027	154,615	188,961	798,045	731,251	649,828	558,715	(369,755)	(369,755)	-	(369,755)
Santa Cruz	-	-	-	-	-	-	-	-	-	-	-	-
Shasta	-	-	-	-	-	-	-	-	-	-	-	-
Sierra	-	-	-	-	-	-	-	-	-	-	-	-
Siskiyou	-	-	-	-	-	-	-	-	-	-	-	-
Solano	58,051	55,986	47,757	58,051	180,765	227,514	248,473	234,248	(176,197)	(176,197)	-	(176,197)
Sonoma	61,364	52,810	48,527	61,364	28,749	16,502	15,119	10,578	-	-	-	-
Stanislaus	61,806	60,059	21,299	61,806	963,942	1,023,486	1,044,233	1,055,373	(993,567)	(993,567)	-	(993,567)
Sutter	-	-	-	-	-	-	-	-	-	-	-	-
Tehama	-	-	-	-	-	-	-	-	-	-	-	-
Trinity	-	-	-	-	-	-	-	-	-	-	-	-
Tulare	-	-	-	-	-	-	-	-	-	-	-	-
Tuolumne	-	-	-	-	-	-	-	-	-	-	-	-
Ventura	102,279	91,686	83,721	102,279	20,883	42,009	50,556	50,026	-	-	-	-
Yolo	-	-	-	-	-	-	-	-	-	-	-	-
Yuba	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,710,187	3,461,288	3,093,995	3,766,623	8,320,042	8,058,598	7,216,178	6,496,087	(4,204,980)	(4,226,044)	1,076,008	(3,150,036)

Stephen H. Nash
Court Executive Officer

Superior Court of California

COUNTY OF CONTRA COSTA
725 COURT STREET
P.O. BOX 431
MARTINEZ, CA 94553-0091



September 23, 2016

Zlatko Theodorovic
Director and Chief Financial Officer
Judicial Council of California
Budget Services Office
455 Golden Gate Avenue
San Francisco, CA 94102-3688

Re: Request for Adjustment to the Children's Waiting Room Fund Balance Cap

The Superior Court of California, County of Contra Costa (Court) is requesting an adjustment to the Court's Children's Waiting Room (CWR) Fund Balance Cap. The fund balance cap estimated by the Judicial Council is \$131,087. The Court requests this cap to be increased by \$67,946 to \$199,033. The Court's CWR expenditures has exceeded its CWR revenues for the last two fiscal years, and has seen annual CWR revenues decline each year in the past six years. The Court currently has a contract to staff care givers in its children's waiting rooms. As reflected in the attached analysis, the Court expects further decline in annual CWR revenues, and based on that analysis, will exhaust its CWR fund balance in the next three fiscal years. The adjusted CWR cap being requested would provide sufficient fund balance to continue operating its children's waiting rooms at the same service level for the next five fiscal years.

Thank you for your consideration. If you have any questions regarding this request, please call me or Fae Li, Director of Finance, at 925.608.2531.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stephen H. Nash".

Stephen H. Nash
Court Executive Officer

SHN/FL/tkr

Attachment: Trend Analysis and Projection

cc: Hon. Steven Austin, Presiding Judge
Ms. Fae Li, Director of Finance
Mr. Colin Simpson, Judicial Council

Superior Court of California, County of Contra Costa
Trend Analysis and Project of Children's Waiting Room On-going Revenues and Expenditures, and Ending Fund Balance

Attachment C1

	Actual					Projected				
	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021
Beginning Fund Balance with existing Cap						131,087	108,287	76,117	35,488	-12,780
On-going Revenue										
812157 TCTF-10-Waiting Room*	149,660	131,086	126,632	106,292	104,333	94,210	85,069	76,815	69,362	62,632
825010 Interest Income	3,375	3,030	2,310	2,532	3,864	2,351	2,123	1,917	1,731	1,563
Total On-going Revenue	153,035	134,116	128,942	108,824	108,197	96,561	87,192	78,732	71,093	64,195
Percentage change in CWR allocation***	-14.80%	-12.41%	-3.40%	-16.06%	-1.84%	-9.70%	-9.70%	-9.70%	-9.70%	-9.70%
Interest incomes as percentage of CWR	2.26%	2.31%	1.82%	2.38%	3.70%	2.50%	2.50%	2.50%	2.50%	2.50%
On-going Expenditures										
938401 General Consultants (Kidango)**	51,812	110,085	118,692	130,867	117,801	119,361	119,361	119,361	119,361	119,361
Ending Fund Balance with existing Cap					131,087	108,287	76,117	35,488	-12,780	-67,946

* Amounts in SAP adjusted to match actual distributions received through distributions #3-14.

** Service contract initiated in FY 11/12, so expenditures for 5 months only. Annualized cost was \$124,349.

*** FY 10/11 CWR allocation was \$175,696.

Current Cap	131,087
Additional Fund Balance Requested	<u>67,946</u>
Adjusted Cap Requested	<u><u>199,033</u></u>



Superior Court of California County of Orange

ALAN CARLSON
CHIEF EXECUTIVE OFFICER
ADMINISTRATION

700 CIVIC CENTER DRIVE WEST
SANTA ANA, CA 92702
PHONE: 657-622-7017

August 29, 2016

Mr. Martin Hoshino
Administrative Director
Judicial Council
455 Golden Gate
San Francisco, CA 94102

Dear Mr. Hoshino:

The Superior Court of California, County of Orange (Court) would like to respectfully submit its request for a two-year reprieve from a cap on its Children's Waiting Room (CWR) fund balance. The Court would like a cap adjustment and be allowed to carry forward the full balance of \$1,009,393 (ending balance as of June 30, 2016). In planning future operations several years ago, the Court based a Request for Proposal and subsequent contract on a certain level of revenue (from fees and carry forward). Loss of carry forward balance would disrupt existing operations and force a reduction in access to justice.

Extenuating circumstances affecting the Court

1) Decrease in Children's Waiting Room (CWR) distribution to Court

The number of civil filings have continued to decrease in recent years. Compared to Fiscal Year (FY) 2011-12, the Court's civil filings have decreased by 33%. As a result, revenues generated from designated civil filing fees have declined. The Court's share of the distribution of CWR funds have decreased 26% since FY 2011-12. The annual distribution amount is now insufficient to cover the current cost of the contract to operate six locations throughout the County. Thus, the Court must rely upon the use of CWR fund balance to supplement the operating costs of its waiting rooms.

2) Inability to Redirect General Operating Funds Due to WAFM Impact to Court

The Court continues to lose historical base allocation funding due to the phase-in of the Workload-based Funding and Allocation Methodology (WAFM). Thus, the Court is unable to redirect general operating funds to offset the reduction in fee revenue and is currently reliant upon this restricted fund balance.

3) Five-year Contractual Agreement with Vendor

In July 2014, the Court entered into a five-year contract with a vendor to expand service locations to most of the courthouses in the County and increase the professionalism of the service in each waiting room. At the time, the Court had sufficient CWR fund carry forward to cover the higher costs. With the commencement

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of FY 2016-17, the Court is entering into the third year of the contractual agreement. Terminating the current contract early for financial reasons would inevitably lead to a loss in continuity of the operation of these waiting rooms, a reduction in service hours, and/or closure of several locations. Any of those options would result in reduced access to justice for the children and parents served by these waiting rooms.

4) Significant Time Commitment Needed for Proper Bidding Process for New Vendor

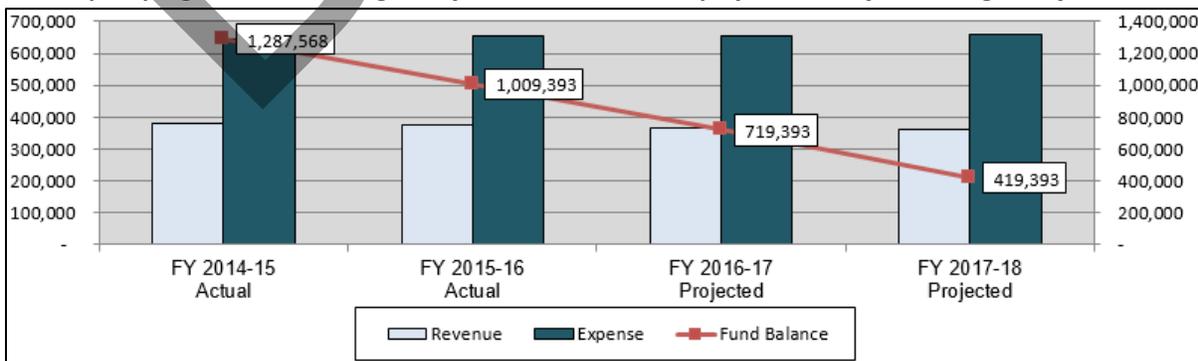
A proper bidding process for a new contract vendor requires at least six months to nine months of staff time to adequately complete. For instance, the last formal bid for these services incorporated factors such as the qualification of waiting room staff (including degrees, certifications, level of training, background checks), cost of services, safety and security protocols, and services provided to the children (snacks, reading programs, etc.). This type of large bid, one that equates to millions of dollars over a period of five years, requires substantial court staff time and resources.

Court's Expenditure Plan

Past Expenditures. When the Court entered into the five-year contract with the vendor in July 2014, there was no CWR fund balance cap. The Court anticipated and planned to use CWR fund balance to pay for the increased cost to operate six waiting rooms. The unexpected 11% decrease in FY 2014-15 CWR distribution and the subsequent continued reduction have already led to the Court to use up significant amounts of CWR fund balance. Since the contract has been in place, the Court's CWR fund balance has decreased by 35% (from \$1,551,428 to \$1,009,393).

Plan for the Next Two Years. If the Court's request for a two-year reprieve to the fund balance cap is approved, the Court will be able to continue operating the six waiting rooms at the same service level without interruptions. Meanwhile, the Court will conduct a thorough assessment and use relevant data (i.e., utilization of waiting room services by location and compare it against projected filing trends) to make informed decisions about which locations may be able to absorb either reduced hours, reduced services and/or closure. Once the assessment is completed by the end of the current fiscal year, the Court will use this data to initiate a formal bidding process (to take place in FY 2017-18) to secure a new service contract within projected funding constraints. By the end of FY 2017-18, the Court is projected to be at or below the FY 2015-16 cap amount of \$457,064.

Court's past progress in decreasing CWR fund balance, and the projected use of remaining CWR fund balance



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Impact of the Two-year Reprieve to the CWR Fund Balance Cap

It is a priority for the Court to ensure the public's access to justice. One critical way is to provide waiting rooms to the children and their parents who must come to the courthouses to resolve their legal issues. A two-year reprieve to the CWR fund balance cap will allow the Court to maintain continued levels of service, minimize adverse impact to the public's access to justice, provide sufficient time to evaluate alternatives and the best approach to reduce services if necessary, and enable the Court to gradually adjust to the current and projected funding constraints.

Thank you for your consideration of this request.

Respectfully,



Alan Carlson
Chief Executive Officer

DRAFT



SUPERIOR COURT OF CALIFORNIA, COUNTY OF SANTA BARBARA

1100 ANACAPA STREET, SANTA BARBARA, CA 93101

DARREL E. PARKER

EXECUTIVE OFFICER – JURY COMMISSIONER – CLERK OF THE COURT

(805) 614-6636

September 21, 2016

Zlatko Theodorovic, Director and Chief Financial Officer
Budget Services | Administrative Division
Judicial Council of California
2850 Gateway Oaks Drive, Suite 300
Sacramento, CA 95833-4353

Re: Children's Waiting Room Balance for Santa Barbara County

Dear Mr. Theodorovic:

The court is submitting this letter seeking a cap adjustment to the funds accumulated by Santa Barbara County's Children's Waiting Room fund. The Santa Barbara County Superior Court currently operates two children's waiting rooms in the major population centers within the county. The first is operated in downtown Santa Barbara, in the Figueroa Division, a criminal court building adjacent to the civil and family courts operated in the historic courthouse. The second children's waiting room is operated in the Juvenile Court building in Santa Maria. They are open a limited number of hours and supervision is by contract with a non-profit agency.

The fund accumulated a substantial balance prior to the introduction of the children's waiting rooms in December of 2010. The funding stream to support the children's waiting rooms is not significant. The average over the last several years has been \$43,708. The most recent year reflected revenue of \$39,718.00. Partnering with community-based organizations, the Court has found a way to provide limited services to this group of litigants.

The Court wishes to preserve the entire balance of the fund in anticipation of out-fitting a newly constructed facility and expanded services in both locations. The criminal division on Figueroa Street, in Santa Barbara, is among a small number of courthouses scheduled to be replaced in California. The proposed criminal courts building includes a new children's waiting room. We seek to preserve sufficient funding to appropriately outfit the new waiting room and add some technologically advanced learning equipment to the existing room in Santa Maria.

Furniture, fixtures and equipment in the amount of \$60,000 will provide the facilities with state-of-the-art technology and furnishings.

Further, the children's waiting room in Santa Barbara, at 118 East Figueroa Street, is open 24 hours per week. The children's waiting room in Santa Maria, at the Juvenile Court, is open 8 hours per week. Using the balance in the children's waiting room fund we propose to expand those services full-time in Santa Barbara and 3.5 days per week in Santa Maria. The total cost of operating the two centers under the existing contracts is \$55,400 annually. This is more than the fund has been collecting. Expanding the availability in both ends of the County would cost \$131,088.00 annually. Assuming annual revenue of \$40,000, the court would need an additional \$91,088.00 each year. After reducing the current balance for the acquisition of new equipment and furnishings, the Court could operate both children's waiting rooms, to better serve the community, for approximately 4.5 years. At the end of that time the court would have exhausted the balance of the fund and would either find an alternate source of funding or reduce the schedule accordingly.

We appreciate your consideration of allowing the Santa Barbara Superior Court to maintain our current fund balance so we can provide additional services to our community.

Respectfully,

Darrel E. Parker
 Court Executive Officer
 Superior Court of California
 County of Santa Barbara
 805-614-6594

Current Cost of Operation	\$55,400.00
Cost of Operating Santa Maria 3.5 days/week	\$61,152.00
Cost of Operating Santa Barbara Full-Time	\$69,936.00
Total Cost of Expanded Operation	<u>\$131,088.00</u>
Less Estimated Annual Revenue	\$40,000.00
Annual Need	\$91,088.00
Current Balance of CWR Fund	\$455,732.00
Less Proposed FF&E	\$60,000.00
Balance	\$395,732.00
Less 4 years 4 months of Expanded Services	\$395,731.99