



JUDICIAL COUNCIL OF CALIFORNIA

TRIAL COURT BUDGET
ADVISORY COMMITTEE

TRIAL COURT BUDGET ADVISORY COMMITTEE

MATERIALS FOR FEBRUARY 9, 2017

Meeting Contents

Agenda	1
Minutes	
Draft Minutes from the December 12, 2016 Meeting	3
Discussion and Possible Action Items	
Item 1 – Governor’s Budget Proposal for 2017-2018 (Discussion Item)	5
Item 2 – Children’s Waiting Room Policy (Action Item)	13
Item 3 – Prioritization of Trial Court Budget Change Proposals for 2018-2019 (Action Item)	19



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TRIAL COURT BUDGET
ADVISORY COMMITTEE

www.courts.ca.gov/tcbac.htm
tcbac@jud.ca.gov

TRIAL COURT BUDGET ADVISORY COMMITTEE

OPEN MEETING AGENDA

Open to the Public (Cal. Rules of Court, rule 10.75(c)(1))

THIS MEETING IS BEING RECORDED

Date: February 9, 2017
Time: 10:00 a.m. – 2:00 p.m.
JCC Boardroom, Judicial Council of California
Location: 455 Golden Gate Avenue, San Francisco, CA 94102
Public Call-In Number 1-877-820-7831, Pass code: 3775936 (listen only)

Meeting materials will be posted on the advisory body web page on the California Courts website at least three business days before the meeting.

Agenda items are numbered for identification purposes only and will not necessarily be considered in the indicated order.

I. OPEN MEETING (CAL. RULES OF COURT, RULE 10.75(C)(1))

Call to Order and Roll Call

Approval of Minutes

Approve minutes of the December 12, 2016 Trial Court Budget Advisory Committee meeting.

II. PUBLIC COMMENT (CAL. RULES OF COURT, RULE 10.75(K)(2))

Public Comment

Members of the public requesting to speak during the public comment portion of the meeting must place the speaker's name, the name of the organization that the speaker represents if any, and the agenda item that the public comment will address, on the public comment sign-up sheet. The sign-up sheet will be available at the meeting location at least one hour prior to the meeting start time. The Chair will establish speaking limits at the beginning of the public comment session. While the advisory body welcomes and encourages public comment, time may not permit all persons requesting to speak to be heard at this meeting.

Written Comment

In accordance with California Rules of Court, rule 10.75(k)(1), written comments pertaining to any agenda item of a regularly noticed open meeting can be submitted up to one complete business day before the meeting. For this specific meeting, comments should be e-mailed to tcbac@jud.ca.gov or mailed or delivered to Judicial Council of California, 455 Golden Gate Avenue, San Francisco, CA 94102, attention: Ms. Brandy Sanborn. Only written comments received by 10:00 a.m. on February 8, 2017 will be provided to advisory body members prior to the start of the meeting.

III. DISCUSSION AND POSSIBLE ACTION ITEMS (ITEMS 1–3)

Item 1

Governor’s Budget Proposal for 2017-2018 (Discussion Item)

Update on the Governor’s budget proposal for 2017-2018.

Presenter(s)/Facilitator(s): Mr. Zlatko Theodorovic, Director, Judicial Council Budget Services

Item 2

Children’s Waiting Room Policy (Action Item)

Review, and clarification if necessary, of the *Children’s Waiting Room (CWR) Distribution and Fund Balance Policy* regarding CWR cap adjustment requests covering more than one fiscal year per recommendation by the Fiscal Planning Subcommittee.

Presenter(s)/Facilitator(s): Ms. Suzanne Blihovde, Senior Budget Analyst, Judicial Council Budget Services

Item 3

Prioritization of Trial Court Budget Change Proposals for 2018-2019 (Action Item)

Adoption of trial court funding priorities for Fiscal Year 2018-2019 Budget Change Proposals.

Presenter(s)/Facilitator(s): Hon. Jonathan B. Conklin, Chair, Trial Court Budget Advisory Committee

IV. INFORMATION ONLY ITEMS (NO ACTION REQUIRED)

None

V. ADJOURNMENT

Adjourn



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TRIAL COURT BUDGET ADVISORY COMMITTEE

MINUTES OF OPEN MEETING

December 12, 2016

8:30 a.m. - 1:00 a.m.

Conference Call

Advisory Body Members Present: Judges: Hon. Jonathan B. Conklin (Chair), Hon. Jeffrey B. Barton, Hon. Andrew S. Blum, Hon. Mark Ashton Cope, Hon. Joyce D. Hinrichs, Hon. Ira R. Kaufman, Hon. Carolyn B. Kuhl, Hon. Brian L. McCabe, and Hon. Glenda Sanders.

Executive Officers: Ms. Sherri R. Carter, Mr. Jake Chatters, Mr. W. Samuel Hamrick, Jr., Mr. Kevin Harrigan, Mr. Jeffrey E. Lewis, Mr. Michael D. Planet, Mr. Michael M. Roddy, Ms. Linda Romero Soles, Mr. Brian Taylor, Ms. Tania Ugrin-Capobianco, and Mr. David Yamasaki.

Judicial Council staff advisory members: Ms. Jody Patel, Mr. John Wordlaw, and Mr. Zlatko Theodorovic.

Advisory Body Members Absent: Judges: Hon. Laurie M. Earl, Hon. James E. Herman, Hon. Elizabeth W. Johnson, and Hon. Paul M. Marigonda.

Others Present: Executive Officers: Ms. Rebecca Fleming and Ms. Tammy L. Grimm. Hon. Marsha G. Slough, Hon. David M. Rubin, Ms. Lucy Fogarty, Ms. Brandy Sanborn, Mr. Colin Simpson, Ms. Suzanne Blihovde, Ms. Virginia Sanders-Hinds, Mr. David Koon, Ms. Deborah Brown, Mr. Lyle Nishimi, Ms. Kim Bartleson, and Mr. Eric Schnurpfeil, Ms. Kim Bartleson, Ms. Bonnie Thomas, and Mr. Josh Berry.

OPEN MEETING

Call to Order and Roll Call

The chair called the meeting to order at 8:32 a.m. Roll was called.

Approval of Minutes

The advisory body reviewed and approved the minutes of the November 10, 2016 Trial Court Budget Advisory Committee (TCBAC) meeting.

DISCUSSION AND INFORMATIONAL ITEMS (ITEMS 1-1)

Item 1 – Request for Funding for Information Technology Infrastructure for Humboldt and Madera Superior Courts (Action Required)

Ms. Kim Bartleson, Court Executive Officer, Superior Court of California, County of Humboldt; Ms. Bonnie Thomas, Court Executive Officer, Superior Court of California, County of Humboldt; and Ms. Suzanne Blihovde, Senior Budget Analyst, Judicial Council Budget Services presented information to be provided to the Judicial Council at its January 2017 meeting.

Action: After a discussion, the Trial Court Budget Advisory Committee voted to approve the following recommendation in a vote as follows:

- Yes = 19
- Abstain = 1
- Absent members that did not vote = 6

Fund Humboldt Superior Court in the amount of \$399,111 in 2016–2017 and Madera Superior Court in the amount of \$572,622 in 2017-2018. Madera’s request for \$658,315 is reduced by \$85,693 given additional 2% automation funds that are available. The Trial Court Budget Advisory Committee recommends that each court perform a year-end review of their finances to identify one-time funding that can be used to help offset migration costs.

Information Item 1 - 2017 Trial Court Budget Advisory Committee Annual Agenda

Hon. Jonathan B. Conklin, Chair, Trial Court Budget Advisory Committee presented the proposed agenda to be provided to the Executive and Planning Committee at its December 2016 meeting.

Action: This was an information item, and Judge Carolyn B. Kuhl made the following suggestions to the Advisory Body’s Key Objectives for 2017 of the Annual Agenda:

- 2. Develop recommendations regarding expenditures from the State Trial Court Improvement and Modernization Fund and the Trial Court Trust Fund, to ensure consistency with Judicial Council goals and objectives, and propose solutions to address any structural shortfall in either fund.
- 4. Develop recommendations for the ~~Judicial Branch Budget Committee~~ Judicial Council regarding trial court budget ~~priorities~~ change proposals.

A D J O U R N M E N T

There being no further business, the meeting was adjourned at 9:05 a.m.

Approved by the advisory body on enter date.



JUDICIAL COUNCIL OF CALIFORNIA

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

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MEMORANDUM

Date	Action Requested
January 10, 2017	For Your Information
To	Deadline
Judicial Officers, Court Administrators, and Employees of the California Judicial Branch	N/A
From	Contact
Martin Hoshino Administrative Director Judicial Council	Zlatko Theodorovic, Finance Director 916-263-1397 phone zlatko.theodorovic@jud.ca.gov
Subject	Cory Jasperson, Governmental Affairs Director
2017–2018 Judicial Branch Budget	916-323-3121 phone cory.jasperson@jud.ca.gov

The Governor's proposed fiscal year (FY) 2017–2018 budget released today provides \$3,630.7 million for the judicial branch. The proposed budget includes \$35.4 million in new funding that would be used to address general cost increases and support technology initiatives. The proposal also continues to backfill the Trial Court Trust Fund revenue shortfall.

The budget proposal for the branch includes \$1,654.4 million in General Fund monies, representing 1.3 percent of all General Fund spending. The judicial branch represents 2 percent of total state funds of \$179.5 billion. Approximately 76 percent of the branch's operational budget is allocated to the trial courts.

Governor's Budget Summary

The budget reflects a revised revenue forecast that is \$5.8 billion lower than expected along with a current-year shortfall in the Medi-Cal program. The budget proposes \$3.2 billion in solutions to ensure a balanced budget to temper spending growth rather than cut existing program levels and General Fund spending remains flat compared FY 2016–2017.

The solutions include adjusting Proposition 98 spending, recapturing unspent allocations from 2016 and constraining some projected spending growth. The budget also deposits \$1.15 billion into the Rainy Day Fund, which will bring the total in the fund to \$7.9 billion by the end of FY

2017–2018, 63 percent of the constitutional target. While a full Rainy Day Fund might not eliminate the need for further spending reductions in case of a recession or major federal policy changes, saving now would allow the state to soften the magnitude and length of necessary cuts.

While the proposed budget maintains the current level of funding for the judicial branch and includes new funding to cover some cost increases, it is important to note that some new laws take effect this year that increase court workload without additional funding. Further, several ballot initiatives were approved in November that increase court costs and workload, also without any additional funding. For example, Proposition 66, which would change procedures governing state court challenges to death sentences, while currently stayed by the Supreme Court, could result in significant unfunded costs to the courts. If unfunded, these legislative and voter-approved changes will significantly erode the ability of the courts to maintain access to justice at current levels.

The Governor’s Budget Summary statement with respect to the judicial branch budget is attached. The statement in part, reads as follows:

In planning for future court demands, the Chief Justice has created the Commission on the Future of California’s Court System. The Commission expects to release initial recommendations in the spring of 2017 on initiatives to effectively and efficiently enhance access to justice. The Administration is committed to working with the Chief Justice on improving access and modernizing court operations through innovative approaches.

A breakdown of the proposed FY 2017–2018 budget for all judicial branch entities is provided below:

Judicial Branch Entity	Proposed Total Funding Level
Supreme Court	\$48.6 m
Courts of Appeal	\$232.7 m
Trial Courts	\$2,792.4 m
Judicial Council	\$137.6 m
Judicial Branch Facility Program	\$440.9 m
Habeas Corpus Resource Center	\$15.8 m
Subtotal, Operational Budget	\$3,668.0 m
Offset from Local Property Tax Revenue	–\$37.3 m
Adjusted Operational Budget	\$3,630.7 m
Less Non-State Funds ¹	–\$95.3m
Adjusted Operational Budget, State Funds	\$3,535.4m
New Court Construction Projects	\$0.0 m
Total Funding²	\$3,630.7 m

¹ Nonstate funds include federal funds and reimbursements.

² Includes General Fund; special, bond, federal, and nongovernmental cost funds; and reimbursements.

Note: Some totals will not be exact due to rounding.

Specifics on the proposals that provide the foundation for budget discussions with the Legislature and the Administration over the next several months are outlined below.

Trial Courts

The Governor's proposal includes \$17.2 million in new funding from the General Fund and \$0.9 million in other funds to support trial court operations, for a total of \$2,792.4 million. The breakdown is as follows:

Repeal of drivers' license suspension: The Administration indicates that it will pursue the elimination of statutory provisions related to suspending drivers' licenses for failure to pay fines and penalties, and states that there does not appear to be a strong connection between suspending a driver's license and collecting a fine or penalty.

Revenue backfill: Maintains \$55 million in General Fund support to address anticipated revenue shortfalls in the Trial Court Trust Fund due to lower filing fee and criminal assessment revenues. It is anticipated that revenue into the fund will increase slightly in FY 2017–2018; therefore, the amount of General Fund backfill is reduced by \$20 million over the 2016 Budget Act. Because this amount backfills a corresponding loss in other revenue sources, this action does not change the total amount of funding appropriated for trial court operations.

Case management system replacement: \$5 million over two years to enable the replacement of the outdated Sustain Justice Edition case management systems in the Superior Courts of California for Humboldt, Lake, Madera, Modoc, Plumas, Sierra, San Benito, Trinity, and Tuolumne Counties. \$4.1 million will be provided from the General Fund in FY 2017–2018 and \$0.9 million in FY 2018–2019 to enable these trial courts to establish a digital court foundation by implementing a modern and supportable case management system needed to effectively deliver services to the public.

Employee costs: \$7.1 million for trial court employee retirement and health benefit costs.

Judicial compensation adjustments: \$5.1 million for previously approved judicial officer salary and benefit cost increases. Judicial salaries are set by operation of statute (Government Code section 68200 et seq.) and increases are tied to state employee salaries. The increase reflects the average salary increase for the current fiscal year for California state employees as explained in Government Code section 68203(a).

Language access: \$352,000 from the State Trial Court Improvement and Modernization Fund and two positions to support implementation of a video remote interpreting spoken language pilot, a key element of the Judicial Council-approved *Strategic Plan for Language Access in the California Courts*. This will maximize limited-English-proficient court users' ability to fully participate in court proceedings using video remote interpreting, and continue progress toward the goal of providing interpreters to all parties who require one, as outlined in Government Code section 68092.1 and Evidence Code section 756.

Court interpreter program: \$490,000 from the Court Interpreters' Fund to support interpreter services by expanding recruitment and testing efforts and providing continuing education.

The Governor's budget also includes statutory changes related to the allocation of vacant judgeships and judicial salaries:

Judgeships: The Administration proposes to reallocate four vacant superior court judgeships to shift judgeships to the areas of the state where workload is highest without increasing the overall number of judges.

Judicial salaries: The Administration also proposes amendments to the judicial salary calculations as outlined in Government Code section 68203. Under existing law, Judicial Officer salaries are tied to the salary increases of other state workers. This amendment changes the calculation so that Judicial Officers receive the proportional equivalent of the salary increases that have been provided retroactively to July 1 to state workers.

Judicial Entities at the State Level

The Governor's proposal includes the following for state level entities:

Court Appointed Counsel Program for the Supreme Court and Courts of Appeal: \$0.3 million in General Fund support for the California Supreme Court Appellate Project-San Francisco and \$0.8 million in General Fund support for the other six Appellate Projects to support increases in the costs of doing business for technology, rent, insurance, and personal services.

Employee costs: Additional General Fund support for retirement and health benefit cost adjustments for employees of the Supreme Court (\$1.7 million), Courts of Appeal (\$7.9 million), Judicial Council (\$5.1 million), and Habeas Corpus Resource Center (\$0.8 million), consistent with all other state employees.

Rent costs: \$0.7 million is provided for rent increases in buildings occupied by the Supreme Court, the Courts of Appeal, and the Habeas Corpus Resource Center.

Technical adjustment: The budget proposes to merge the Judicial Council and Judicial Branch Facility Programs for budgeting, accounting, and transparency purposes. The proposal reflects the current reality that these two programs operate as one program, which totals \$578.6 million. Of this, \$441.0 million is for the Judicial Branch Facility Program: \$418.3 million is expended for the trial courts for facility modifications, rent and lease payments, utilities, and insurance, and \$22.7 million is for staff and operating expenses and equipment. The remaining \$137.6 million is budgeted to support Judicial Council operations.

Judicial Branch Construction Program

The Governor's proposal for the Facility Construction Program, which appears as a separate line item in the State Budget, does not include funding for any new projects. However, it does authorize the reappropriation of \$7.9 million of bond funds for four projects that are in the construction phase (see below).

Court Facility Construction Projects (Reappropriations)

1. Calaveras County New San Andreas Courthouse	\$269,000	Construction
2. Riverside County New Riverside Mid-County Courthouse	\$7,059,000	Construction
3. San Bernardino County New San Bernardino Courthouse	\$517,000	Construction
4. Tulare County New Porterville Courthouse	\$97,000	Construction

The budget also includes authority to transfer \$5.2 million from the Court Facilities Trust Fund to the Immediate and Critical Needs Account to support the financial plan for the construction of the Superior Court of Santa Clara County's new Family Justice Center.

Construction fund redirections by the Administration and the Legislature (\$1.4 billion over 8 years) and declining revenue (5 percent) that supports the construction program has dramatically affected the status of the court construction program. Continued support of the program is essential to maintaining access to justice and we continue to seek solutions and advocate for assistance from the Legislature and the Governor.

Significant State Budget Proposals

Continuing health care expansion: The budget increases enrollment of the Medi-Cal population to 4.1 million Californians, with the state's General Fund share of cost increasing from \$888 million to nearly \$1.6 billion.

Counteracting poverty: The budget continues to fund the rising costs of the new state minimum wage, provides the first cost-of-living adjustment for Supplemental Security Income/State Supplementary Payment recipients since 2005, and increases in child care and early education provider rates and children served.

Strengthening transportation infrastructure: The budget reflects the Governor's transportation package, which would provide \$4.2 billion annually to improve the maintenance of highways and local roads, expand public transit and strengthen critical trade routes.

Combating climate change: With volatility in recent auctions due in part to uncertainty about the program's post-2020 future, the Administration proposes two-thirds urgency legislation to confirm the program's continued authority beyond 2020.

Next Steps

The Governor's proposal for FY 2017–2018 that begins on July 1, 2017, sets the stage for the next phase of the ongoing budget development cycle for the state. This will include further discussions with the Administration, legislative hearings, meetings with legislators and their staff, updated state revenue numbers in April, a May Revision to the Governor's proposed budget, and then an intensive period of legislative activity to pass a balanced budget by the June 15 constitutional deadline.

Within the context of uncertainty and caution over fluctuating state revenues and court case filings, coupled with potential federal policy changes, having this initial judicial branch budget proposal with no proposed reductions and some limited new funding may enable some progress to continue on important issues for improving branch operations.

Over the next several months, however, the Chief Justice and the Judicial Council, with the support of trial and appellate court leaders, the bar, and other justice system stakeholders, will continue to advocate with the Governor and the Legislature on judicial branch policy and funding issues critical to maintaining court services for the public and advancing solutions to improve the delivery of equal and timely access to justice for all Californians.

The Governor's proposed FY 2017–2018 budget may be reviewed at: www.ebudget.ca.gov.

Attachment

JUDICIAL BRANCH

The Judicial Branch consists of the Supreme Court, courts of appeal, trial courts, and the Judicial Council. The trial courts are funded with a combination of funding from the General Fund, county maintenance-of-effort requirements, fines, fees, and other charges. Other levels of the Judicial Branch receive most of their funding from the General Fund. The Budget includes total funding of \$3.6 billion (\$1.7 billion General Fund and \$1.9 billion other funds) for the Judicial Branch, of which \$2.8 billion is provided to support trial court operations. The Judicial Council is responsible for managing the resources of the Judicial Branch.

In 1998, California voters passed a constitutional amendment that provided for voluntary unification of the superior and municipal courts in each county into a single, countywide trial court system. By 2001, all 58 counties had voted to unify their municipal and superior court operations. This was the culmination of over a decade of preparation and work to improve court coordination and uniform access to justice. The Trial Court Funding Act of 1997 consolidated the costs of operating California's trial courts at the state level. The Act was based on the premise that state funding of court operations was necessary to provide more uniform standards and procedures, economies of scale, structural efficiency and access for the public. The Act created a state-funded trial court system and capped county contributions, having the state assume responsibility for growth in the costs of court operations.

In planning for future court demands, the Chief Justice has created the Commission on the Future of California's Court System. The Commission expects to release initial

recommendations in the spring of 2017 on initiatives to effectively and efficiently enhance access to justice. The Administration is committed to working with the Chief Justice on improving access and modernizing court operations through innovative approaches.

Significant Adjustments:

- Trial Court Employee Costs—The Budget includes \$7.1 million General Fund for trial court employee health and retirement benefit costs.
- Trial Court Trust Fund Revenues—The Budget includes a total of \$55 million General Fund to backfill a continued decline of fines and penalty revenues expected in 2017-18.
- Case Management System Replacement—The Budget includes one-time funding of \$4.1 million General Fund in 2017-18 and \$896,000 General Fund in 2018-19 to replace the Sustain Justice Edition Case Management System in nine small superior courts across California. This proposal continues the Administration's commitment to assisting the courts with the modernization of case management systems.
- Judicial Officer Salaries—Under existing law, Judicial Officer salaries are tied to the salary increases of other state workers. The Budget proposes amending statute so that Judicial Officers receive the proportional equivalent of the salary increases that have been provided retroactively to July 1 to state workers.
- Trial Court Judge Reallocation—The Administration proposes to reallocate four vacant superior court judgeships. This will shift judgeships to the areas of the state where workload is highest without increasing the overall number of judges.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

(Action Item)

Title: Review of Children's Waiting Room Policy
Date: 2/2/2017
Contact: Suzanne Blihovde, Senior Analyst, Budget Services
916-263-1754 | suzanne.blihovde@jud.ca.gov

Issue

On October 12, 2016, the Trial Court Budget Advisory Committee (TCBAC) accepted a recommendation by the Fiscal Planning Subcommittee to review, and clarify if necessary, the *Children's Waiting Room (CWR) Distribution and Fund Balance Policy* regarding CWR cap adjustments requests covering more than one fiscal year. Public comment was also provided relative to this agenda item and is included as Attachment A.

Background

Prior to 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.

On June 27, 2014, the Judicial Council adopted a policy and procedure on court requests for CWR distributions pursuant to Government Code section 70640 (Attachment B). On December 12, 2014, the council amended the process 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, the council amended the process 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, placing a cap on the amount of CWR fund balance that courts can accumulate. The cap equals the highest annual distribution within the three most recent fiscal years, and a court wanting a cap adjustment must

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

submit a request explaining the extenuating circumstances and including its CWR expenditure plan for consideration by the TCBAC and the Judicial Council.

CWR distributions to trial courts from first paper filing fee revenues deposited into the TCTF can only be spent on costs associated with operating a CWR. CWR distributions that are not needed by a court would 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. The revised policy requires courts to monitor their CWR distribution amount per filing to ensure it is adequate to meet 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. 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. The full policy as revised is included as Attachment C.

Options for Discussion

Option 1

The TCBAC could not take any action at this time, and continue annual review and adjustment of CWR fund balances as this policy revision is in its second fiscal year of implementation. This option may impact a court's ability to plan for multi-year contracts.

Option 2

The TCBAC could extend the review and adjustment of CWR fund balances to a biennial schedule, or to a schedule mirroring the number of years of a multi-year contract, allowing courts the opportunity to better plan with a set fund balance cap spanning two or more years. This option may extend the time that fund balances exceeding the cap are returned to the TCTF to support trial court operations allocations.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

ATTACHMENT A

From: Parker, Darrel [<mailto:dparker@sbcourts.org>]
Sent: Wednesday, October 12, 2016 9:00 AM
To: TCBAC <TCBAC@jud.ca.gov>
Subject: Children's Waiting Room Public Comment

Thank you for the opportunity to provide comment on today's meeting.

During the last meeting I listened to questions about requests spanning more than one year. There was a recommendation that courts be required to return in subsequent years and re-justify their cap adjustment request.

I suggest an alternative to that proposal.

I support the committee's recommendation to adjust the caps for those courts seeking an adjustment. However, a requirement that court's would need to re-justify their cap adjustments in subsequent years would confound an effort to engage in a multi-year contract with any agency providing services for the children's waiting room. Our court is engaged in a contract with a community based organization to provide supervision. If the source of funds associated with paying for those services is subject to review each year it creates a difficulty in engaging in a multi-year contract with the CBO.

Alternatively, the committee may consider authorizing the cap as requested and thereafter require an annual report on the status of the court's children's waiting room operations to ensure that the money is still being used appropriately, or report on any changes to the operation or expenditures. In this manner the court can engage in multi-year contracts and the committee can be assured that the revenues are being used appropriately in each subsequent year. If a courts circumstance changes the committee would have an opportunity each year to reconsider the authorization without interfering with a courts contractual operation in those instances where no change is reported.

Thanks for the opportunity to comment.

Respectfully,

Darrel E. Parker
Court Executive Officer/Jury Commissioner
Superior Court of California
County of Santa Barbara

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

ATTACHMENT B

Government Code Section 70640

(a) It is the policy of the state that each court shall endeavor to provide a children's waiting room in each courthouse for children whose parents or guardians are attending a court hearing as a litigant, witness, or for other court purposes as determined by the court. To defray that expense, monthly allocations for children's waiting rooms shall be added to the monthly apportionment under subdivision (a) of Section 68085 for each court where a children's waiting room has been established or where the court has elected to establish that service.

(b) The amount allocated to each court under this section shall be equal to the following: for each first paper filing fee as provided under Section 70611, 70612, 70613, 70614, or 70670, and each first paper or petition filing fee in a probate matter as provided under Section 70650, 70651, 70652, 70653, 70654, 70655, 70656, or 70658, the same amount as was required to be collected as of December 31, 2005, to the Children's Waiting Room Fund under former Section 26826.3 in the county in which the court is located when a fee was collected for the filing of a first paper in a civil action under former Section 26820.4.

(c) Notwithstanding any other provision of law, the court may make expenditures from these allocations in payment of any cost, excluding capital outlay, related to the establishment and maintenance of the children's waiting room, including personnel, heat, light, telephone, security, rental of space, furnishings, toys, books, or any other item in connection with the operation of a children's waiting room.

(d) If, as of January 1, 2006, there is a Children's Waiting Room Fund in the county treasury established under former Section 26826.3, the county immediately shall transfer the moneys in that fund to the court's operations fund as a restricted fund. By February 15, 2006, the county shall provide an accounting of the fund to the Administrative Office of the Courts.

(e) After January 1, 2006, the court may apply to the Judicial Council for an adjustment of the amount distributed to the fund for each uniform filing fee. A court that wishes to establish a children's waiting room, and does not yet have a distribution under this section, may apply to the Judicial Council for a distribution. Applications under this subdivision shall be made according to trial court financial policies and procedures authorized by the Judicial Council under subdivision (a) of Section 77206. Adjustments and new distributions shall be effective January 1 or July 1 of any year beginning January 1, 2006.

(f) The distribution to a court under this section per each filing fee shall be not less than two dollars (\$2) and not more than five dollars (\$5).

(Amended by Stats. 2007, Ch. 130, Sec. 135. Effective January 1, 2008.)

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

ATTACHMENT C

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.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

ATTACHMENT C

- 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.

Revised June 26, 2015

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

(Action Item)

Title: Prioritization of Trial Court Budget Change Proposal for 2018-2019
Date: 2/2/2017
Contact: Brandy Sanborn, Manager, Budget Services
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Issue

What should the 2018-2019 statewide budget change proposal priorities be for the trial courts?

In order to generate a discussion of potential 2018-2019 statewide budget change proposals (BCPs), the Trial Court Budget Advisory Committee (TCBAC) surveyed its members to solicit input regarding statewide budget needs and priorities. The members were asked to provide three BCP concepts in order of priority, and to provide any additional information for TCBAC consideration when reviewing the submissions. A total of 20 responses were submitted. The concepts suggested by three or more members are identified in Table 1, in no particular order, to allow the committee to select and prioritize.

The BCP concepts with two or less submissions are listed in Table 2, also in no particular order. Additional comments/documentation provided in the survey responses are included in Attachments A and B.

Table 1

#	BCP Concept (in alphabetical order)
1	Civil Assessment Revenue Backfill
2	Court-Appointed Dependency Counsel
3	Discretionary Funding Allocated via Workload-Based Allocation and Funding Methodology (WAFM)
4	Discretionary Funding <i>not</i> Allocated via WAFM
5	Trial Court Employee Compensation
6	Trial Court Trust Fund (TCTF) Base Operations Revenue Backfill

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

Table 2

#	BCP Concept (in alphabetical order)
1	Case Management System Enhancements
2	Construction of New Facilities
3	Data Security (Technology)
4	Employee Benefit Cost Increases
5	Funding for New Mandates
6	Local Support for E-Services Infrastructure
7	Maintenance of Existing Facilities
8	New Judgeships (AB 159)
9	Security Equipment (Physical)
10	Self-Help Services
11	\$48 Million Maintenance of Effort Buyout ¹

- 1. Civil Assessment Revenue Backfill.** This BCP would account for the decline in civil assessment revenues that courts rely on to supplement their baseline budgets each year. Judicial Council staff will utilize existing methodologies to report calculate revenue losses.
- 2. Court-Appointed Dependency Counsel.** A BCP was submitted for 2017-2018 and requested an ongoing augmentation of \$22.0 million to support court-appointed dependency counsel workload, the equivalent of 25 percent of the need to fully fund the adequate and competent representation for parents and children required by Welfare and Institutions Code section 317.
- 3. Discretionary Funding Allocated via Workload-Based Allocation and Funding Methodology (WAFM).** A BCP was submitted for 2017-2018 and requested an ongoing augmentation of \$117.5 million, the equivalent of 5 percent of the amount of funding needed by trial courts based on the 2016-2017 WAFM funding need.
- 4. Discretionary Funding *not* Allocated via WAFM.** This BCP would account for the rising costs of operations and could consider trial court employee compensation while

¹ Two responses from a single court.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

taking into consideration that the distribution of any new monies would not coincide with WAFM. Judicial Council staff will require direction from the TCBAC on calculating the dollar amount to be requested for this BCP concept if it is recommended to move forward.

- 5. Trial Court Employee Compensation.** A BCP was submitted for 2017-2018 and requested an ongoing augmentation of \$41.0 million to fund inflationary costs increases, the equivalent of a 2.5 percent cost of living increase for all trial court employees and consistent with the general salary increases provided to executive branch staff.
- 6. Trial Court Trust Fund (TCTF) Base Operations Revenue Backfill.** This BCP would account for backfill revenue losses experienced by the TCTF as a result of declining fines, fees, and forfeitures. Judicial Council staff will utilize existing methodologies to report calculate revenue losses.

Background

At its December 16, 2016 meeting, the Judicial Council approved a new process for budget change proposal preparation, approval, and submission to the Department of Finance (DOF) to include the Judicial Branch Budget Committee (JBBC) established in July 2016. The JBBC reviews and prioritizes BCPs prior to submission to the council for final prioritization and approval.

Previously, in order to generate a discussion of potential 2017-2018 statewide BCPs, the TCBAC surveyed its members to solicit input regarding priorities for submission to the council for approval and prioritization for submission to the DOF. The committee met on July 7, 2016 and August 8, 2016 to develop the following prioritized list for recommendation to the Judicial Council:

1. Trial Court Operations Discretionary Funding and Employee Compensation;
2. Court-Appointed Dependency Counsel;
3. New Judgeships (AB 159);
4. Civil Assessment Backfill;
5. Self-Help Services;
6. Language Access Plan Implementation; and
7. Increased Costs for New Court Facilities.

On August 26, 2016, the Judicial Council prioritized branch BCPs as follows:

1. *Support for Trial Court Operations*
2. *Sustain Justice Edition Case Management System Replacement*
3. *Court-Appointed Dependency Counsel*

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

4. *New Judgeships (AB 159)*
5. Supreme Court and Appellate Courts - California Court Appointed Counsel Projects, San Francisco
6. Appellate Court Document Management System
7. Sustainability of the Immediate and Critical Needs Account
8. Appellate Court Judicial Workload
9. *Increased Operations Costs for Existing and New/Renovated Courthouses*
10. Trial Court Facilities Operations Cost Adjustment
11. General Fund Support of Statewide Programs and Services
12. *Implementation of the Language Access Plan and Support for Court Interpreters*
13. Statewide Electronic Filing Technology
14. Appellate Court Facility Maintenance Program
15. Habeas Corpus Resource Center–Case Teams Staffing
16. Appellate Court Security
17. Technical BCP–Judicial Council Organizational Restructure
18. Technical BCP–Santa Clara Capital Outlay Project Funding Plan

The Budget Act of 2016 provides for the following:

- \$20 million in new General Fund support for trial court operations;
- \$7 million for language access;
- \$5 million for equal access;
- \$343,000 for court provided security;
- \$8.7 million for the statewide Phoenix Financial System;
- \$10 million for a state-level trial court emergency reserve;
- \$25 million for a Court Innovations Grant Program;
- \$45 million for facility deferred maintenance;
- \$24.8 million over three years for Court Case Management System V3 replacement;
- \$16.1 million in General Fund support for retirement and health benefit cost increases;
- \$21.4 million for Proposition 47 implementation costs; and
- \$66.2 million in 2015-2016 and \$75 million in 2016-2017 to backfill the shortfall in the Trial Court Trust Fund due to lower filing fee and criminal assessment revenues.

The 2017 Governor’s Budget proposal includes \$5 million over two years to support the Sustain Justice Edition Case Management System Replacement, and \$352,000 and two positions to support implementation of a video remote interpreting spoken language pilot as part of the *Strategic Plan for Language Access in the California Courts*.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

Options for Discussion

Option 1

Up to three BCPs for the trial courts for 2018–2019 would be selected from the six BCP concepts identified in Table 1 and ranked in order of priority. No additional concepts would be included.

Option 2

Up to two BCPs for the trial courts for 2018–2019 would be selected from the six BCP concepts identified in Table 1 and ranked in order of priority. TCBAC would consider identifying a single additional concept from the list in Table 2 to include as the lowest ranked priority.

Recommendation

It is recommended the TCBAC identify and prioritize which BCP concepts should be submitted to the Judicial Branch Budget Committee.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

Respondent	Priority #	BCP Concept	Comments
A	1	New Discretionary Trial Court Funding-WAFM Gap	Without safe/functional facilities and the staff to operate them, all other priorities are irrelevant. Lack of any increase in discretionary funding is a net reduction to the Branch and will further reduce access to justice.
	2	Court Facilities-New Construction and M&O	
	3	Technology	
B	1	Employee benefits cost increases	Funding these increases is necessary as benefits costs continue to rise annually and courts will be unable to fund from TCTF monies.
	2	Backfill of civil assessment and other reduced revenue	Revenues that courts rely on to supplement their TCTF budgets continue to decline each year; additional funding is required to fill this gap.
	3	Funding for unfunded mandates (e.g., Prop 66, 64, etc.)	New legislation, propositions, and mandates continue to impact courts in terms of additional workload. Additional funding needs to be attached to these mandates so that courts can comply with the legislation in an effective and timely manner.
C	1	Employee Wage Increase	Executive Branch SEIU, Local 1000 employees have a three year contract. Trial Court employees deserve to be treated equitably and deserve raises.
	2	Back Fill Civil Assessment/Local Revenue	
	3	Dependency Counsel Funding	
D	1	Wage increase for trial court employees	Trial court employees are the only state level group not to receive funding for a much needed wage increase in the proposed budget. We should be treated in the same manner as all other executive, legislative and judicial branch employees.
	2	Dependency Counsel funding	Funding of the Judicial Council report regarding dependency counsel workloads and DRAFT needs to be completed in order to provide quality legal representation for these highly sensitive cases.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

Respondent	Priority #	BCP Concept	Comments
	3	Revenue backfill	Traffic amnesty and the continuing efforts to weaken and abolish driver's license suspensions has resulted in as much as a 24% reduction in local revenues to the trial courts as well as to the GF. This revenue loss is tantamount to a baseline reduction which needs to be backfilled so that the trial courts.
E	1	Adequate funding for dependency counsel	Dependency counsel funding is woefully inadequate. The state owes a basic obligation to provide sufficiently for legal representation of the children for whom it has made the courts responsible.
	2	Adequate funding for self-help centers	Self-help is becoming more of an urgent need as the cost of legal representation rises, and the population using the courts is becoming less financially able to have access to the courts.
	3	Cover the WAFM gap	WAFM is based in part on a 3-year rolling average of filing rates. The argument that the courts need less because filings have declined is belied by the actual need, as that is identified in the WAFM model. The courts developed WAFM in response to Department of Finance's demands for more equitable funding allocation mechanisms. The courts have done their part; the Legislature and executive branch must now uphold their end of the bargain and fund the branch according to its established need.
F	1	Trial Court Employee Compensation	This BCP should fund equivalent pay increases for Trial Court personnel to those provided to Executive Branch (expressly, SEIU 1000 EE's) and proposed for JCC staff.
	2	New Judgeships	Fund the judgeships authorized by AB158 [2007] which, a decade later, remain unfilled.
	3	Continue Funding Trial Court Technology Needs	Specifically, this BCP should be written, with the objective of funding new CMS for those courts relying on end-of-life mainframes, AS400's, or aging server-based systems (or hosted solutions) that are [or soon to be] no longer supported.
G	1	Unrestricted baseline increase	
	2	Backfill lost revenue	

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

Respondent	Priority #	BCP Concept	Comments
	3	Employment cost increases. Salary + Benefits	
H	1	Funding to provide for a compensation increase for court employees (consistent with executive branch)	
	2	Increase in Baseline Operations Budget. Could be named “WAFM funding adjustment”	
	3	Civil Assessment and/or Revenue loss backfill	
I	1	Discretionary funding to the TCTF to close the WAFM gap	Each year the branch has sought a BCP to close the WAFM gap. It is usually done as a lower % of the gap. We should continue this request.
	2	Backfill fine fee and assessment revenue losses	Legislative changes are reducing revenue streams essential to operations that the legislature chose to fund through this methodology. If they change the policies regarding the revenue, they need to offset the operational effects.
	3	Fund increased operating costs due to new legislation and initiatives	Prop 57, 64 and several legislative enactments such as AB 2839 were enacted which increase workload but contained no funding to comply with the new mandates. Funding like that obtained for Prop. 47 would be reasonable.
J	1	Funding to maintain current service levels (inflationary cost pressures).	Courts need annual funding increases to maintain current service levels. This BCP would account for increases in OE&E costs and could also reflect employee salary cost increases as measured via changes in Schedule 7A costs.
	2	Progress towards full workload-based funding. (Service level expansion and improvement)	This represents discretionary funding increases to move closer to 100% funding as measured by the WAFM model. Additional funds in this area provide the ability for courts to improve access to justice, improve management tools and data, and expand services beyond basic levels.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

Respondent	Priority #	BCP Concept	Comments
	3	Funding for local court e-services infrastructure and support.	State BCP has been submitted to support the development of a centralized E-Filing Manager (EFM). Local courts will need technical staff to develop local E-Filing connections and manage the ongoing technical components of E-Filing, eservice, and other digital expansion.
K	1	Dependency Counsel Funding	Current funding is insufficient for courts' current costs and caseloads. Additional funding would allow the trial courts to provide more adequate representation in dependency actions and ensure the safety and welfare of some of the courts' most vulnerable clients - minor children.
	2	Security Equipment - Repair/Replacement	This funding is essential to slow the denigration of security equipment currently in place in the courts. The replacement cycle for this equipment has already been extended. As equipment fails or reaches end of life, neither individual courts nor Judicial Council have funding necessary to support replacement and/or repairs.
	3	Replacement CMSs for remaining courts	Since the branch has had success with two recent BCP's for replacement CMS's, if another group of courts submit a BCP for replacement CMS's, TCBAC should review and support such a BCP if feasible.
L	1	Revenue Backfill to Trial Courts	
	2	Dependency Counsel Funding	
	3	Technology Updates	
M	1	Trial Court Operations	
	2	Data and Physical Security	
	3	Trial Court Facilities	
N	1	Trial Court Operations Discretionary Funding	In order to address trial court employee compensation and rising costs of doing business, especially for those courts who have not seen a real increase in years, and to keep on par with scheduled state employee increases, consideration should be given to equally distributing any new monies to all courts, rather than further starving "donor" courts within WAFM.
	2	Self-Help Services	

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

Respondent	Priority #	BCP Concept	Comments
	3	Court Construction	Projects currently placed on hold are in need of going forward. As delays continue, deficiencies in existing facilities worsen and costs for projects will continue to rise. Safe, secure, accessible, and adequate court facilities for the public is paramount.
O	1	Discretionary trial court funding in the amount of 5% of the remaining WAFM gap (\$117 million in FY16-17).	In making this ask, it is important to reference both the WAFM gap and the wide range of unfunded cost increases faced by the trial courts (e.g., vendor costs, software licensing, and costs of labor). We should avoid linking this BCP directly to a certain level of salary increases.
	2	\$48 million to provide General Fund replacement funding for the MOE Buyout of civil assessment revenues.	When county Maintenance of Effort agreements were reduced with no corresponding General Fund backfill, lawmakers assumed that increased civil assessment revenues would fill the gap (the so-called "MOE Buyout"). That assumption no longer holds. Because of both filing trends and state policy shifts, the MOE Buyout is no longer a viable fiscal policy; it should be eliminated and General Fund funds should replace it. Trial courts should not have to reduce services because of policy-related shifts in the imposition and/or enforcement of traffic fines and fees.
	3	\$22 million in additional funding for court-appointed dependency counsel.	In FY15-16, there was strong, bipartisan support for an increase of \$22 million. The Administration responded by asking for a fairer and appropriate distribution of existing funding. That has been achieved. Caseloads remain 50% higher than recommended levels. The remaining needed funding increase should be provided.
P	1	Discretionary trial court funding in the amount of 5% of the remaining WAFM gap (\$117 million in FY16-17).	In making this ask, it is important to reference both the WAFM gap and the wide range of unfunded cost increases faced by the trial courts (e.g., vendor costs, software licensing, and cost of labor). We should avoid linking this BCP directly to a certain level of salary increases.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

Respondent	Priority #	BCP Concept	Comments
	2	\$48 million to provide General Fund replacement funding for the MOE Buyout of civil assessment revenues.	When county Maintenance of Effort agreements were reduced with no corresponding General Fund backfill, lawmakers assumed that increased civil assessment revenues would fill the gap (the so-called "MOE Buyout"). That assumption no longer holds. Because of both filing trends and state policy shifts, the MOE Buyout is no longer a viable fiscal policy; it should be eliminated and General Fund funds should replace it. Trial courts should not have to reduce services because of policy-related shifts in the imposition and/or enforcement of traffic fines and fees.
	3	\$22 million in additional funding for court-appointed dependency counsel.	In FY15-16, there was strong, bipartisan support for an increase of \$22 million. The Administration responded by asking for a fairer and appropriate distribution of existing funding. That has been achieved. Caseloads remain 50% higher than recommended levels. The remaining needed funding increase should be provided.
Q	1	Funding for TCTF Shortfall	
	2		
	3		
R	1	Employee Wage Increase for all trial court employees	We need to be treated similar to the Executive branch with regard to COLA increases. They continue to receive funding for salary increases and the courts do not. We need to continue advocacy to eliminate the 1% fund balance as well. Executive branch does not have that limitation.
	2	Judgeships- funding for the 50 previously authorized judgeships	Funding is needed for new 50 judgeships as was justified in the workload needs assessment. Several courts have vacancies as do we and are in need of judge positions.
	3	Funding for Trial Court Facility Operations	Funding is needed to maintain the physical facilities of old existing courthouses. In addition, new courthouses that have been recently built need funding for on-going maintenance purposes. These expenses cannot be borne by the courts operating budgets.
S	1	Trial Court Discretionary Funding	

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

Respondent	Priority #	BCP Concept	Comments
T	2	Employee compensation (restricted to employee compensation only)	The employee compensation BCP if granted, should require that each court commit to using such funds for employee compensation only.
	3	Dependency Counsel	
	1	General Trial Court Increases	After years of declining funding, trial courts have not had sufficient resources to re-establish services that were once provided. Hearings have been consolidated into fewer courtrooms as a result of closures and have extended the time to schedule hearings and process cases.
	2	Appropriation to Trial Courts for COLA's	Approaching 10 years, the trial courts have yet to receive a cost of living adjustment to provide to its employees. Unlike the State's employees, COLA's are automatically funded through appropriations. The only remedy for Trial courts has been to cover negotiated increases by reducing work forces which have adversely impacted services to the public. Also, we propose that such appropriations be distributed to Trial Courts outside of the WAFM distribution formula. This would ensure that all Trial Courts receive a proportionate share for their employees.
	3	Increased Dependency Counsel Funding	Trial Courts have provided extensive empirical data to support the need for additional dependency counsel funding. This area is tens of millions short of providing necessary legal services to dependents and absent adequate funding the welfare of children will be imperiled.

JUDICIAL COUNCIL OF CALIFORNIA
BUDGET SERVICES
Report to the Trial Court Budget Advisory Committee

The judicial branch requests \$48 million General Fund to replace local trial court contributions of civil assessment revenues to the Trial Court Trust Fund – the so-called "MOE buyout."

A decade after trial court funding was implemented through AB 233, legislation mandated that the Administrative Office of the Courts and the California State Association of Counties agree on the distribution of fees and fines whose distributions were not yet determined by statute – including civil assessment revenues. This effort began in 2003 with AB 1759 and concluded in 2007 with AB 227. As part of this agreement, county revenue Maintenance of Effort agreements (MOEs) were reduced by a total of \$48 million (the amount of FY03-04 civil assessment revenues) and an equivalent amount of local civil assessment revenues were put into the Trial Court Trust Fund to backfill the loss of MOE payments. The so-called "MOE buyout" had the effect of providing \$48 millions of relief to counties – while avoiding a corresponding state General Fund obligation.

The MOE buyout is failing. While provisions of this change gave trial courts the opportunity to keep civil assessment revenue increases, and while the implementing legislation increased the allowable civil assessment from \$250 to \$300 dollars, this source of trial court funding (1) has proved to be unreliable and (2) is under threat by lawmakers.

(1) Many municipalities, for a wide variety of reasons, have chosen to reduce their traffic enforcement efforts, resulting in fewer citations that might be subject to a civil assessment. In FY14-15, civil assessment collections totaled \$160 million; for FY15-16, the Judicial Council projects collections as low as \$125 million: a 20% drop in a single year.

(2) Things will get worse as lawmakers pursue policies that will greatly limit, if not eliminate, both burdensome fees and the harsh enforcement mechanisms on which collections efforts rely.¹ These policy decisions will create de facto, unintended, budget cuts to a trial court system that is already significantly weakened, having never recovered fiscally from recessionary state budget reductions.

California is leading the way for policy-makers across the country who are increasingly recognizing that the use of court-ordered debt for trial court financing erodes public trust and confidence in the courts and puts unreasonable burdens on people. As they pursue these much-needed changes, policy makers must consider both sides of the fine/fee equation: lowering the burdens on litigants requires replacing those revenues with more-appropriate General Fund support for trial court operations.

The MOE buyout is a direct threat to the precarious budget stability the courts now have. Restoring General Fund support is consistent with the growing desire of lawmakers to find alternatives to fine/fee-based funding for the courts. This BCP must be a core part of the conversation over fines and fees.

¹ A study by the Los Angeles Superior Court found that legislation proposed in 2016 would lead to the loss of tens of millions of dollars of revenue in that county alone.