



# JUDICIAL COUNCIL OF CALIFORNIA

TRIAL COURT BUDGET  
ADVISORY COMMITTEE

## TRIAL COURT BUDGET ADVISORY COMMITTEE

### MATERIALS FOR JUNE 29, 2017 ACTION BY E-MAIL BETWEEN MEETINGS

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

(Action Item)

**Title:** 2017-2018 Court-Appointed Dependency Counsel, State Controller’s Office Audits, and Statewide Electronic Filing Implementation Allocations

**Date:** 6/26/2017

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**Issue**

Consider methodologies of the new Trial Court Trust Fund (TCTF) allocations anticipated to be provided in the Budget Act of 2017 in the amount of \$22 million for Court-Appointed Dependency Counsel, \$671,000 for Statewide Electronic Filing Implementation, and \$540,000 for the State Controller’s Office Audits to the Judicial Council in support of trial court audits and to develop a statewide electronic filing environment.

**Background**

**Court-Appointed Dependency Counsel**

The Judicial Council at its April 17, 2015 meeting approved several recommendations from the Trial Court Budget Advisory Committee that direct the allocation of court-appointed counsel funding to the courts. The council approved a methodology for allocating the existing base funding of \$103,725,444 in FY 2014–2015 based on each court’s workload as calculated by the workload model for juvenile dependency, and adjusted to available funding statewide (“workload-based funding”). The council decided to phase in the new allocation methodology with annual increases or decreases in fiscal years 2015–2016, 2016–2017, and 2017–2018, and in fiscal year 2018–2019 all courts will receive an equivalent percentage of statewide funding as calculated by the workload model. The allocations are to be phased in by basing each court’s annual allocation on a percentage of its historical base in FY 2014–2015 and a percentage of its workload-based funding in the current fiscal year, with the percentages changing annually as follows:

- 2015–2016: court receives 10% of workload-based funding and 90% of historical base;
- 2016–2017: 40% of workload-based funding and 60% of historical base;
- 2017–2018: 80% of workload-based funding and 20% of historical base; and
- 2018–2019: 100% of workload-based funding.

The council also directed that any new state funds designated for court-appointed dependency

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counsel in addition to the current \$103.7 million be allocated to courts with a ratio of allocated base funding to their calculated workload-based funding need that is below the statewide ratio of base funding to workload-based funding required to meet the workload standard. Additional Judicial Council actions related to the report that impact funding allocations in FY 2015–2016 included revisions to how the workload methodology and funding need is calculated, and directed that a \$100,000 reserve be established for unexpected caseload increases. The council also approved revisions on May 5, 2017 related to small court allocations (Juvenile Dependency: Small Court Dependency Workload Working Group Final Recommendations).

The estimated allocations in Attachment A reflect the currently approved methodology and actions taken by the Judicial Council. The allocations attached will be updated when final data on dependency filings is available.

**State Controller’s Office (SCO) Audits**

Government Code 77206 (h) directs the SCO to perform audits on the trial courts as part of a pilot audit program, which are planned to begin 2017-2018. Consequently, budget bill language was added to the 2017 Budget Act that sets a limit of \$540,000 within the appropriation for 0150095-Expenses on Behalf of the Trial Courts to contract with the SCO audit costs (see Attachment B). This request increases the allocation within the TCTF for Judicial Council expenses on behalf of the trial courts (see Attachment D, Column E, line 15). GC 77206(h)(4) specifically requires that funds from the local trial court being audited pay for the SCO audit. Funding from the TCTF will be allocated to the courts identified to be audited and actual costs incurred by the Judicial Council on behalf of those courts will be reduced from the audited trial courts distribution.

**Statewide Electronic Filing Implementation**

On June 24, 2016, the Judicial Council directed the Information Technology Advisory Committee to develop and implement a statewide electronic filing solution. Subsequently, the Judicial Council submitted a 2017-2018 budget change proposal requesting a loan to implement statewide electronic filing. The 2017-2018 Budget Act includes a \$1.2 million loan from the General Fund (see Attachment C) over two years (\$671,000 in 2017–2018 and \$491,000 in 2018–2019) to implement and administer a statewide electronic filing program that will enable increased electronic filing access for court users by assisting in making electronic filing capability available for courts throughout the state. The cost recovery fee that will be charged to system users will support the loan repayment and the ongoing cost to operate the e-filing program. This request increases the allocation within the TCTF for Judicial Council expenses (see Attachment D, Column D, line 13).

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**Recommendations**

The following recommendations are presented to the Trial Court Budget Advisory Committee for consideration of recommendation to the Judicial Council at its July 28, 2017 business meeting:

1. Recommend the 2017-2018 court-appointed dependency counsel allocations of \$22 million in new funding for consideration by the Judicial Council.
2. Recommend the 2017-2018 allocation and subsequent distribution reduction of a maximum of \$540,000 for audits completed on behalf of the trial courts pursuant to Budget Act of 2017, item 0250-101-0932, Provision 15.
3. Recommend the 2017-2018 allocation of a \$671,000 loan to implement and administer a statewide electronic filing program.

**Attachments**

- A. Projected Allocation of Dependency Counsel Funding with \$22 Million Augmentation
- B. Budget Act of 2017, Item 0250-101-0932, Provision 15 and Government Code Section 77206
- C. Budget Act of 2017, Item 0250-013-0001, Provision 1
- D. TCTF 2017-2018 Judicial Council Expenses on Behalf of the Trial Courts Appropriations Allocations Approved by the Judicial Council

## Projected Allocation of Dependency Counsel Funding with \$22 Million Augmentation

Court	Caseload Funding Model Estimated Funding Need	FY 2015-16 Total Allocation	FY 2016-17 Total Allocation	FY 2017-18 Expected Allocation	FY 2017-18 \$22M Allocation	FY 2017-18 Total
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. E
Alameda	\$5,383,317	\$4,037,391	\$3,618,313	\$3,349,022	\$507,945	\$3,856,967
Alpine	\$1,286	\$0	\$399	\$754	\$133	\$887
Amador	\$178,287	\$115,233	\$115,233	\$115,233	\$15,744	\$130,977
Butte	\$1,106,813	\$664,923	\$627,554	\$645,019	\$115,306	\$760,325
Calaveras	\$333,724	\$123,940	\$142,758	\$196,286	\$34,317	\$230,603
Colusa	\$66,499	\$38,471	\$40,667	\$52,262	\$0	\$52,262
Contra Costa	\$3,506,912	\$3,030,406	\$2,600,337	\$2,061,963	\$360,791	\$2,422,754
Del Norte	\$204,590	\$214,730	\$214,730	\$214,730	\$0	\$214,730
El Dorado	\$786,289	\$788,644	\$655,569	\$486,497	\$74,855	\$561,352
Fresno	\$4,328,263	\$2,900,594	\$2,670,600	\$2,623,600	\$425,639	\$3,049,239
Glenn	\$151,337	\$90,417	\$90,417	\$116,829	\$0	\$116,829
Humboldt	\$601,876	\$543,896	\$462,558	\$477,121	\$0	\$477,121
Imperial	\$742,949	\$591,128	\$518,512	\$426,040	\$79,129	\$505,169
Inyo	\$37,749	\$72,277	\$72,277	\$45,348	\$0	\$45,348
Kern	\$3,925,557	\$2,347,548	\$2,277,753	\$2,264,340	\$414,791	\$2,679,131
Kings	\$1,100,787	\$354,779	\$443,478	\$562,095	\$134,507	\$696,601
Lake	\$220,142	\$296,119	\$296,119	\$292,670	\$0	\$292,670
Lassen	\$134,195	\$106,891	\$106,891	\$106,891	\$0	\$106,891
Los Angeles	\$91,087,855	\$40,230,156	\$45,149,389	\$49,310,378	\$10,431,460	\$59,741,838
Madera	\$862,872	\$225,443	\$293,833	\$458,121	\$101,063	\$559,184
Marin	\$333,015	\$388,488	\$388,488	\$333,015	\$0	\$333,015
Mariposa	\$44,150	\$38,070	\$38,070	\$38,070	\$0	\$38,070
Mendocino	\$582,177	\$711,060	\$566,908	\$433,259	\$0	\$433,259
Merced	\$1,434,600	\$738,248	\$751,397	\$789,965	\$160,960	\$950,925
Modoc	\$28,095	\$16,090	\$17,128	\$25,540	\$0	\$25,540
Mono	\$21,538	\$13,956	\$13,956	\$13,956	\$1,893	\$15,849
Monterey	\$1,048,357	\$434,541	\$494,823	\$559,313	\$122,110	\$681,423
Napa	\$455,793	\$212,285	\$232,362	\$252,678	\$50,716	\$303,394
Nevada	\$219,989	\$226,123	\$226,123	\$226,123	\$0	\$226,123
Orange	\$8,189,943	\$6,418,278	\$5,648,065	\$4,673,887	\$877,928	\$5,551,815
Placer	\$1,524,646	\$518,087	\$687,985	\$802,944	\$180,203	\$983,146
Plumas	\$90,648	\$154,059	\$154,059	\$129,477	\$0	\$129,477
Riverside	\$13,748,022	\$6,080,322	\$6,411,055	\$7,308,939	\$1,607,781	\$8,916,720
Sacramento	\$7,760,416	\$5,205,426	\$4,832,997	\$4,716,960	\$759,924	\$5,476,884
San Benito	\$213,243	\$89,163	\$89,163	\$110,916	\$25,550	\$136,466
San Bernardino	\$12,529,694	\$4,963,161	\$5,731,210	\$6,624,253	\$1,474,536	\$8,098,788
San Diego	\$8,931,747	\$9,408,199	\$7,711,177	\$5,614,404	\$828,311	\$6,442,715
San Francisco	\$4,585,273	\$3,761,098	\$3,296,146	\$2,661,414	\$480,370	\$3,141,784
San Joaquin	\$3,623,924	\$2,982,578	\$2,601,178	\$2,102,122	\$379,980	\$2,482,102
San Luis Obispo	\$1,082,018	\$699,248	\$647,980	\$650,186	\$107,825	\$758,010
San Mateo	\$1,622,673	\$554,582	\$668,643	\$833,522	\$197,044	\$1,030,566
Santa Barbara	\$1,446,033	\$1,557,379	\$1,267,448	\$915,302	\$132,519	\$1,047,821
Santa Clara	\$4,616,975	\$4,508,063	\$3,780,956	\$2,833,821	\$445,237	\$3,279,058
Santa Cruz	\$849,079	\$863,289	\$713,676	\$527,265	\$80,354	\$607,619
Shasta	\$1,042,835	\$681,818	\$621,700	\$607,075	\$108,805	\$715,881
Sierra	\$5,695	\$13,759	\$13,759	\$7,788	\$0	\$7,788
Siskiyou	\$200,533	\$245,373	\$245,373	\$245,373	\$0	\$245,373
Solano	\$1,271,812	\$875,639	\$801,057	\$775,643	\$123,889	\$899,532
Sonoma	\$1,446,554	\$1,137,764	\$990,021	\$823,004	\$155,695	\$978,699
Stanislaus	\$1,573,914	\$1,107,189	\$1,004,470	\$963,688	\$152,368	\$1,116,056
Sutter	\$331,109	\$143,904	\$146,804	\$183,300	\$36,906	\$220,207
Tehama	\$417,450	\$163,859	\$177,634	\$270,572	\$36,674	\$307,246
Trinity	\$118,304	\$93,829	\$93,829	\$102,423	\$0	\$102,423
Tulare	\$2,235,713	\$954,553	\$1,032,410	\$1,185,222	\$262,298	\$1,447,520
Tuolumne	\$222,597	\$110,593	\$110,593	\$142,065	\$20,108	\$162,173
Ventura	\$2,890,557	\$1,151,975	\$1,284,628	\$1,515,764	\$343,273	\$1,859,037
Yolo	\$833,176	\$404,107	\$430,429	\$463,796	\$92,231	\$556,027
Yuba	\$567,381	\$200,855	\$278,909	\$331,757	\$58,833	\$390,590
Reserve	0	100000	\$200,000	\$100,000		\$100,000
<b>Total</b>	<b>\$202,900,976</b>	<b>\$114,700,000</b>	<b>\$114,800,000</b>	<b>\$114,700,000</b>	<b>\$22,000,000</b>	<b>\$136,700,000</b>

**Budget Act of 2017, 0250-101-0932, Provision 15,**

15. Of the amount appropriated in this item, up to \$540,000 is available to reimburse the State Controller's Office for the costs of audits incurred by the State Controller's Office pursuant to subdivision (h) of Section 77206 of the Government Code.

**Government Code Section 77206**

77206 (a) Notwithstanding any other law, the Judicial Council may regulate the budget and fiscal management of the trial courts. The Judicial Council, in consultation with the Controller, shall maintain appropriate regulations for recordkeeping and accounting by the courts. The Judicial Council shall seek to ensure, by these provisions, both of the following:

- (1) That the fiscal affairs of the trial courts are managed efficiently, effectively, and responsibly.
  - (2) That all moneys collected by the courts, including filing fees, fines, forfeitures, and penalties, and all revenues and expenditures relating to court operations are known. The Judicial Council may delegate its authority under this section, when appropriate, to the Administrative Director of the Courts.
- (b) Regulations, rules, and reporting requirements adopted pursuant to this chapter shall be exempt from review and approval or other processing by the Office of Administrative Law as provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2.
- (c) The Controller, at the request of the Legislature, may perform and publish financial and fiscal compliance audits of the reports of court revenues and expenditures. The Controller shall report the results of these audits to the Legislature and the Judicial Council.
- (d) The Judicial Council shall provide for the transmission of summary information concerning court revenues and expenditures to the Controller.
- (e) The Judicial Council shall adopt rules to provide for reasonable public access to budget allocation and expenditure information at the state and local levels.
- (f) The Judicial Council shall adopt rules ensuring that, upon written request, the trial courts provide, in a timely manner, information relating to the administration of the courts, including financial information and other information that affects the wages, hours, and working conditions of trial court employees.
- (g) (1) The Judicial Council or its representatives may do any of the following:
- (A) Inspect, review, and perform comprehensive oversight and analysis of court financial records wherever they may be located.
  - (B) Investigate allegations of financial impropriety or mismanagement.
- (2) The authority granted pursuant to this subdivision shall not substitute for, or conflict with, the audits conducted pursuant to subdivisions (h) and (i).
- (h) (1) Commencing not earlier than July 1, 2011, and not later than December 15, 2012, the entity contracted with pursuant to subdivision (j) shall establish a pilot program to audit six trial courts. That entity shall select the trial courts using the following criteria:
- (A) Two trial courts selected from counties with a population of 200,000 or less.

(B) Two trial courts selected from counties with a population greater than 200,000 and less than 750,000.

(C) Two trial courts selected from counties with a population of 750,000 or greater. The audits shall be performed in accordance with generally accepted government auditing standards and shall determine the trial court's compliance with governing statutes, rules, and regulations relating to the revenues, expenditures, and fund balances of all material and significant funds, including state General Fund funds, funds generated from fees or fines, federal funds, grants, and any other funds within the trial court's administration or control. The audits required by this section shall be in addition to any audit regularly conducted pursuant to any other provision of law.

(2) Based on the results of the pilot program audits described in paragraph (1), the entity contracted with pursuant to subdivision (j) shall, on or before December 15, 2013, commence an audit of the trial courts, provided that every trial court is audited in the manner prescribed by this section at least once every four years. The audits shall be performed in accordance with generally accepted government auditing standards and shall determine the trial court's compliance with governing statutes, rules, and regulations relating to the revenues, expenditures, and fund balances of all material and significant funds, including state General Fund funds, funds generated from fees or fines, federal funds, grants, or any other funds within the trial court's administration or control. The audits required by this paragraph shall be in addition to any audit regularly conducted pursuant to any other provision of law.

(3) Notwithstanding Section 10231.5, the auditing entity shall compile the trial court audit findings and report the results of these audits to the Legislature, the Judicial Council, and the Department of Finance no later than April 1 of each year. An audit report shall not be considered final until the audited entity is provided a reasonable opportunity to respond and the response is included with, or incorporated into, the report.

(4) The reasonable and necessary contracted cost of the audit conducted pursuant to this subdivision shall be paid from funds of the local trial court being audited.

(i) (1) On or before December 15, 2013, and biennially thereafter, the entity contracted with pursuant to subdivision (j) shall perform an audit of the Administrative Office of the Courts in accordance with generally accepted government auditing standards and shall determine the Administrative Office of the Court's compliance with governing statutes, rules, regulations, and policies relating to the revenues, expenditures, and fund balances of all material and significant funds under the administration, jurisdiction, or control of the Administrative Office of the Courts.

(2) Notwithstanding Section 10231.5, the auditing entity shall provide a copy of the final audit report of the Administrative Office of the Courts to the Legislature, the Judicial Council, and the Department of Finance upon issuance. An audit report shall not be considered final until the audited entity is provided a reasonable opportunity to respond and the response is included with, or incorporated into, the report.

(3) Any reasonable and necessary contracted costs incurred by the auditing entity pursuant to this subdivision shall be reimbursed by the Administrative Office of the Courts.

(j) The Administrative Office of the Courts shall contract with the Controller to perform the audits described in subdivisions (h) and (i), unless either the Bureau of State Audits or the Department of Finance demonstrates that it can perform the audits pursuant to the same timeframes, scope, and methodology as the Controller for a cost that is less than that proposed by the Controller. In that case, the Administrative Office of the Courts may contract with the state entity named in this subdivision that is most cost effective. The Administrative Office of

the Courts shall provide written notification to the chairs of the Senate Committee on Budget and Fiscal Review, the Assembly Committee on Budget, and the Senate and Assembly Committees on Judiciary, if the Administrative Office of the Courts contracts with an entity other than the Controller. The contract period for any contract entered into pursuant to this section shall not exceed four years from the date of commencement.

(k) A report submitted pursuant to subdivision (h) or (i) shall be submitted in compliance with Section 9795.



**Budget Act of 2017, item 0250-013-0001, Provision 1**

0250-013-0001—For transfer by the Controller, upon order of the Director of Finance, to the Trial Court Trust Fund as a loan ..... (671,000)

Provisions:

1. The Department of Finance may transfer up to \$671,000 as a loan to the Trial Court Trust Fund to support the implementation and administration of the Statewide Electronic Filing Program. This loan shall be repaid once sufficient revenue is available, but no later than June 30, 2021, with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.

TCTF 2017-2018 Judicial Council and Expenses on Behalf of the Trial Courts Appropriations Allocations

#	Project and Program Title	2016-17 JC- Approved Allocation	2016-17 Funded from Courts' Program 45.10 TCTF Allocations	2016-17 Approved Total Allocation	For Judicial Council Approval for 2017-18			Program Allocation Increase/ (Decrease)
		Col. A	Col. B	Col. C (Col A + B)	Judicial Council (Staff) <sup>1</sup>	Expenses on Behalf of the Trial Courts	Total	Col. G
					Col. D	Col. E	Col F (Col. D + E)	
1	Children in Dependency Case Training	-	113,000	113,000	-	113,000	113,000	-
2	Sargent Shriver Civil Counsel Pilot Program	500,000	8,473,964	8,973,964	500,000	7,244,437	7,744,437	(1,229,527)
3	Equal Access Fund	194,000	-	194,000	258,000	-	258,000	64,000
4	Court-Appointed Dependency Counsel Collections	260,000	-	260,000	260,000	-	260,000	-
5	Revenue and Collections Program	625,000	-	625,000	625,000	-	625,000	-
6	<b>Programs Funded from Courts' TCTF Allocations</b>							
7	Civil, Small Claims, Probate and Mental Health (V3) CMS	-	564,000	564,000	-	564,000	564,000	-
8	California Courts Technology Center	-	1,472,000	1,472,000	-	1,472,000	1,472,000	-
9	Interim Case Management System	-	842,000	842,000	-	361,000	361,000	(481,000)
10	Phoenix Financial Services	107,000	-	107,000	107,000	-	107,000	-
11	Phoenix HR Services	1,349,000	-	1,349,000	1,404,676	-	1,404,676	55,676
12	Other Post Employment Benefits Valuations	-	-	-	-	535,000	535,000	535,000
13	Statewide E-filing Implementation	-	-	-	671,000	-	671,000	671,000
14	SCO Audit - Pilot program per GC 77206 (h)(4)	-	-	-	-	540,000	540,000	540,000
15	<b>Total, Program/Project Allocations</b>	<b>3,035,000</b>	<b>11,464,964</b>	<b>14,499,964</b>	<b>3,825,676</b>	<b>10,829,437</b>	<b>14,655,113</b>	<b>155,149</b>
16	<b>Department of Motor Vehicles Amnesty Program service charges</b>	<b>250,000</b>		<b>250,000</b>	-	-	-	N/A
17	<b>Estimated State Controller's Office services charges</b>	<b>219,399</b>		<b>219,399</b>	<b>303,000</b>	-	<b>303,000</b>	<b>83,601</b>
19	<b>Estimated Budget Act Appropriation and Changes Using Provisional Language Authority<sup>1</sup></b>	N/A	N/A	N/A	<b>4,011,000</b>	<b>13,025,000</b>	<b>17,036,000</b>	N/A
20	<b>Appropriation Balance</b>	N/A	N/A	N/A	<b>185,324</b>	<b>2,195,563</b>	<b>2,077,887</b>	N/A

1. Provisional language in the State Budget Act for 2016 allows the Judicial Council appropriation authority to be increased for support to the Sargent Shriver Civil Counsel Pilot, Equal Access Fund, and Court-Appointed Dependency Counsel Collections. Provisional language also allows up to \$11.274 million to be transferred to the Judicial Council appropriation authority for the recovery of costs for administrative services provided to the trial courts.