



Judicial Council of California
ADMINISTRATIVE OFFICE OF THE COURTS

455 Golden Gate Avenue • San Francisco, California 94102-3688
Telephone 415-865-4200 • Fax 415-865-4205 • TDD 415-865-4272

TANI CANTIL-SAKAUYE
Chief Justice of California
Chair of the Judicial Council

RONALD G. OVERHOLT
Interim Administrative Director of the Courts

CHRISTINE PATTON
Interim Chief Deputy Director

September 19, 2011

Hon. Mark Leno
California State Senate
Chair, Joint Legislative Budget Committee
State Capitol, Room 5100
Sacramento, California 95814

Hon. Bob Blumenfield
California State Assembly
Chair, Budget Committee
State Capitol, Room 6026
Sacramento, California 95814

Hon. Bob Huff
California State Senate
Vice-Chair, Committee on Budget and
Fiscal Review
State Capitol, Room 5097
Sacramento, California 95814

Hon. Jim Nielsen
California State Assembly
Vice-Chair, Committee on Budget
State Capitol, Room 6031
Sacramento, California 95814

Re: Transfer of \$71.616 Million to the Trial Court Trust Fund to Offset Reductions to Trial Court Funding

Dear Senator Leno, Senator Huff, Assembly Member Blumenfield, and Assembly Member Nielsen:

On September 16, 2011, in accordance with the Budget Act of 2011 (Stats. 2011, ch. 33, item 0250-101-0932, provision 19), the Administrative Office of the Courts (AOC) requested that the Department of Finance transfer \$8.616 million from the state General Fund to the Trial Court Trust Fund (TCTF) to offset reductions to trial court funding (see Table 1, below). Given cash-flow considerations for the construction funds, by May 2012 the AOC will request a transfer of \$25 million from the State Court Facilities Construction Fund and \$38 million from the

Immediate and Critical Needs Account to the TCTF to offset reductions to trial court funding (see Table 1, below). The requested transfers will total \$71.616 million. If there are any changes to the planned transfers, the AOC will notify the Legislature.

On July 22, 2011, the Judicial Council approved an allocation on a one-time basis of the ongoing \$350 million reduction across the judicial branch, as shown in column D of Table 1.

Table 1. Transfer Amount by General Fund Appropriation Item and by Special Fund

Appropriation Item	Budget Act of 2011			Council Action on 7/22/11			General Fund Transfer to TCTF (0932)
	Schedule of \$200M Reduction	Schedule of \$150M Reduction	Total	Spread of \$350M Reduction (One-Time)	Council Action (rounded to 1000s)	Adjustment	
	A	B	C	D	E	F	G
Supreme Court	-2,093,000	0	-2,093,000	-2,819,667	-2,820,000	-727,000	727,000
Courts of Appeal	-10,360,000	0	-10,360,000	-12,512,273	-12,512,000	-2,152,000	2,152,000
Judicial Council/AOC	-7,932,000	0	-7,932,000	-13,462,834	-13,463,000	-5,531,000	5,531,000
Judicial Branch Facility Program	-100,000	0	-100,000	-180,538	-180,000	-80,000	80,000
Trial Court Operations, Grant, and Local Assistance Funding	-178,574,000	-150,000,000	-328,574,000	-319,957,575	-319,958,000	8,616,000	0
Habeas Corpus Resource Center	-941,000	0	-941,000	-1,067,113	-1,067,000	-126,000	126,000
Total, General Fund	-200,000,000	-150,000,000	-350,000,000	-350,000,000	-350,000,000	0	8,616,000

Transfer from		
SCFCF (3037)	ICNA (3138)	Special Funds Transfer to TCTF
25,000,000	38,000,000	63,000,000

Total Transfer to the Trial Court Trust Fund	71,616,000
---	-------------------

Based on the council’s action, a transfer of \$8.616 million was made from the General Fund to the TCTF, as shown in column G of Table 1. This transfer decreased the General Fund appropriation for the Supreme Court, Courts of Appeal, Judicial Council/Administrative Office of the Courts, Judicial Branch Facility Program, and Habeas Corpus Resource Center, and offset \$8.616 million in reductions to trial court funding.

In addition, above and beyond the \$180 million authorized by the Budget Act of 2011, the council allocated \$122.4 million in offsets to trial court funding reductions as follows:

- \$25 million transfer from the State Court Facilities Construction Fund,
- \$38 million transfer from the Immediate and Critical Needs Account,
- \$56.4 million from TCTF expenditure reductions to the California Court Case Management System program, and

- \$3 million from carryover TCTF FY 2009–2010 savings in the TCTF court interpreter appropriation.

The \$302.4 million in offsets provided in the current fiscal year is \$181.705 million more than in FY 2010–2011. Despite the action taken by the council to mitigate the impact of reductions, new funding reductions of \$319.958 million in FY 2011–2012 will result in trial courts receiving \$138.252 million less in TCTF base funding than in FY 2010–2011 (or a 6.9 percent reduction to the FY 2011–2012 adjusted trial court operations budget).

The FY 2011–2012 reductions as a percentage of the adjusted operations budgets for FY 2011–2012 range from 6.9 percent to 15.3 percent for the various judicial branch entities, as shown in column F of Table 2.

Table 2. Net Reduction as a Percentage of Adjusted Operations Budget

	Adjusted Operations Budget ¹	% of Total Budget	Reduction	Reduction Offsets Above and Beyond the FY 2010–2011 Level	Net FY 2011–2012 Reduction	Reduction as a % of Adjusted Operations Budget
Appropriation Item	A	B	C	D	E (C+D)	F (E / A)
Supreme Court	29,063,706	1.3%	-2,819,667	0	-2,819,667	-9.7%
Courts of Appeal	128,970,191	5.6%	-12,512,273	0	-12,512,273	-9.7%
Judicial Council/AOC	112,276,000	4.9%	-13,462,834	0	-13,462,834	-12.0%
Judicial Branch Facility Program	1,183,000	0.1%	-180,538	0	-180,538	-15.3%
Trial Court Operations, Grant and Local Assistance Funding	2,013,025,334	87.8%	-319,957,575	181,704,944	-138,252,631	-6.9%
Habeas Corpus Resource Center	8,899,403	0.4%	-1,067,113	0	-1,067,113	-12.0%
Total	2,293,417,634	100.0%	-350,000,000	181,704,944	-168,295,056	-7.3%

1. Adjustments were made to exclude certain items, including court-appointed counsel (indigent and dependency), justices'/judges' compensation, and sheriff/CHP security.

If you have any questions related to this report, please contact Zlatko Theodorovic, Director, AOC Finance Division, at 415-865-7584 or by e-mail at zlatko.theodorovic@jud.ca.gov.

Sincerely,



Ronald G. Overholt
Interim Administrative Director of the Courts

September 19, 2011

Page 4

RGO/sc

Enclosures

cc: Members of the Judicial Council

Ms. Kiyomi Burchill, Policy Consultant, Office of Senate President pro Tempore
Darrell S. Steinberg

Ms. Fredericka McGee, General Counsel, Office of Assembly Speaker John A. Pérez

Hon. Gregory P. Schmidt, Secretary of the Senate

Ms. Diane F. Boyer-Vine, Legislative Counsel

Mr. E. Dotson Wilson, Chief Clerk of the Assembly

Mr. Joe Stephenshaw, Consultant, Senate Committee on Budget and Fiscal Review

Mr. Matt Osterli, Consultant, Senate Republican Fiscal Office

Mr. Marvin Deon, Consultant, Assembly Budget Committee

Mr. Allan Cooper, Consultant, Assembly Republican Fiscal Office

Ms. Anita Lee, Fiscal and Policy Analyst, Legislative Analyst's Office

Ms. Jennifer Osborn, Principal Program Budget Analyst, Department of Finance

September 19, 2011

Page 5

bcc:

Ms. Christine Patton, Interim Chief Deputy Director, Administrative Office of the Courts

Ms. Margie Borjon-Miller, Acting Regional Administrative Director, AOC Southern
Region

Ms. Jody Patel, Regional Administrative Director, AOC Northern/Central Region

Ms. Anthea Lowe-Thomas, Acting Regional Administrative Director, AOC Bay
Area/Northern Coastal Region

Mr. Curtis L. Child, Director, AOC Office of Governmental Affairs

Mr. Zlatko Theodorovic, Director, AOC Finance Division

Ms. Marcia A. Carlton, Assistant Director, AOC Finance Division

Ms. Tina Carroll, Executive Office Liaison, AOC Executive Office

Ms. Gwen Arafiles, Manager, AOC Finance Division

Mr. Steven Chang, Manager, AOC Finance Division

Mr. Henry Sepulveda, AOC OGA

Ms. Eunice Lee, AOC Executive Office