



## JUDICIAL COUNCIL OF CALIFORNIA

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### MEMORANDUM

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Date	Action Requested
August 12, 2016	Please Review
To	Deadline
Executive Officers of the Superior Courts Fiscal Contacts of the Superior Courts	The Distribution is Scheduled to be Available Monday, August 15, 2016
From	Contact
Patrick Ballard, Budget Supervisor Budget Services	Patrick Ballard, Budget Services (818) 558-3115 patrick.ballard@jud.ca.gov
Subject	
FY 2016–2017 Trial Court Trust Fund, Immediate and Critical Needs Account, and General Fund August Distribution (#2)	

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The statewide Trial Court Trust Fund (TCTF), Immediate and Critical Needs Account (ICNA), and General Fund distribution in August is \$314,404,683.

The following documents have been prepared for your information:

- Attachment 1A – TCTF, ICNA, and General Fund Distribution Table, which displays the distribution amounts
- Attachment 1B – Monthly Trial Court Operations and Court-Appointed Counsel Distribution Computation, which displays the gross and net distribution
- Attachment 2A – TCTF Trial Court Operations and Court-Appointed Counsel Allocation Table, which displays base and one-time allocations
- Attachment 2B – TCTF Trial Court Operations Charges and Other Special Adjustments
- Attachment 3 – TCTF Compensation of Superior Court Judges Allocation Table
- Attachment 4 – General Fund Allocation for Trial Court Benefits and ICNA-Funded Trial Court Operations Allocation
- Attachment 5 – Immediate and Critical Needs Account Distribution Schedule

FY 2016–2017 TCTF Allocations Approved by the Judicial Council on June 24, 2016 and July 29, 2016

Allocation of \$91.6 Million in New Funding By WAFM and Other WAFM Adjustments

The allocation table includes ongoing funding of \$19.6 million for general court operations allocated in proportion to each court's share identified by the 2016–2017 Workload-based Allocation and Funding Methodology (WAFM) (see Column J of the allocation table). In addition, the allocation table includes a reallocation of \$576.2 million, or 40 percent, and an additional \$233.8 million of courts' historical WAFM-related base allocation of \$1.44 billion (Columns E, F, H, and K), reallocation of \$214.2 million in new funding provided in 2013–2014 through 2015–2016 for general court operations (Columns G and I), and each court's share of the 2016–2017 WAFM funding floor allocation adjustment (Column L).

\$412,000 of the \$20 million provided in the 2016 Budget Act for general court operations was set aside to fund court-provided security cost increases. At the Judicial Council meeting on July 28, 2015, the council approved the submission of a BCP to address increased costs for court-provided (non-sheriff) security for the maintenance of funding at FY 2010–2011 security levels. In addition, beginning in FY 2016–2017 and beyond, if any new General Fund augmentation for general trial court operations is received, courts with court-provided (non-sheriff) security since 2010–2011 would be provided funding based on the lesser of the growth funding percentage that the county sheriff received or the General Fund augmentation percentage increased. The growth funding would cease if a court discontinued its court-provided security services.

\$8.5 Million in 2015–2016 Benefits Cost Change Funding

The allocation table includes \$8.5 million in ongoing funding provided in the 2016 Budget Act based on courts' confirmed rates for 2015–2016 full-year cost changes related to retirement, employee health, and retiree health for non-interpreter employees (see Column M of the allocation table).

\$20.3 Million 2012–2013 and 2013–2014 Previously Unfunded Benefits Costs Allocations

The allocation table includes \$20.3 million in ongoing funding of the returned Department of Finance funding reductions for estimated 2012–2013 and 2013–2014 employer subsidies of non-interpreter employee retirement contributions (see Column N of the allocation table). \$13.3 million in ongoing funding was provided in the 2015 Budget Act and was allocated one-time to the courts in 2015–2016 with an additional \$7 million in ongoing funding provided in the 2016 Budget Act as a return of the reduction included in the 2014 Budget Act as an acknowledgement of the progress courts were making toward meeting the Public Employees' Pension Reform Act of 2013 standard (PEPRA) standard. With the \$20.3 million restored, the trial courts will be made whole for their 2012–2013 and 2013–2014 benefits cost increases.

#### Non-Sheriffs Security Funding

The allocation table includes \$754,000 in ongoing funding for court-provided security costs (see Columns O and P of the allocation table). \$343,000 in ongoing funding was included in the 2016 Budget Act based on a Budget Change Proposal submitted to address the increased costs for marshals in two courts (see Column P). In addition, \$412,000 of the \$20 million provided in the 2016 Budget Act for general court operations was set aside to fund court-provided security cost increases (see Column O). At the Judicial Council meeting on July 28, 2015, the council approved the submission of a BCP to address increased costs for court-provided (non-sheriff) security for the maintenance of funding at FY 2010–2011 security levels. In addition, beginning in FY 2016–2017 and beyond, if any new General Fund augmentation for general trial court operations is received, courts with court-provided (non-sheriff) security since 2010–2011 would be provided funding based on the lesser of the growth funding percentage that the county sheriff received or the General Fund augmentation percentage increased. The growth funding would cease if a court discontinued its court-provided security services.

#### Criminal Justice Realignment

The allocation table includes a \$9.223 million one-time full-year allocation for costs related to criminal justice realignment (see Column Q of the allocation table). At its July 29, 2016, business meeting, the Judicial Council approved the full-year allocation of this 2012 Budget Act funding based on the most current available post release community supervision (PRCS) and parole workload data submitted to the Judicial Council's Criminal Justice Services office pursuant to Penal Code section 13155 (each court's percentage of the statewide number of petitions filed and court motions made to revoke/modify PRCS and parole).

#### Proposition 47 Workload

The allocation table includes \$10.7 million in one-time funding to address increased workload associated with Proposition 47, the Safe Neighborhoods and Schools Act (see Column R of the allocation table). The 2016 Budget Act provides \$21.4 million in one-time funding for Proposition 47 workload costs. At its July 29, 2016, business meeting, the Judicial Council allocated \$10.7 million to be distributed immediately based on each court's share of statewide petitions for resentencing and reclassification from October 1, 2015, to March 31, 2016, and \$10.7 million based on each court's share of statewide petitions for resentencing and reclassification from April 1, 2016, to September 30, 2016, with funding to be distributed in January 2017.

#### Preliminary Reduction for Fund Balance Above the 1% Cap

The allocation table includes a preliminary one-time reduction of \$9.4 million to courts that are projecting the portion of their 2015–2016 ending fund balance that is subject to the 1 percent fund balance cap to exceed the cap, as required by statute (see Column S of the allocation table).

Based on courts' final 1% computation, final adjustments are anticipated to be allocated in December.

#### Preliminary TCTF Funds Held on Behalf of the Trial Courts

The allocation table includes a preliminary one-time allocation of \$7.2 million for 2016–2017 TCTF funds held on behalf of the trial courts based on the process approved by the Judicial Council at its April 15, 2016 business meeting (see Column T of the allocation table). The amounts reflect requests approved by the Judicial Council at its June 24, 2016 and July 29, 2016 business meetings adjusted for those courts' preliminary reductions for 2015–2016 fund balance above the 1% cap. Based on courts' final 1% cap computation as well as their amended TCTF funds held on behalf of the trial courts requests, final adjustments are anticipated to be allocated in December.

#### Distribution of Base and Other Allocations

Based on the estimated cash available in the TCTF as of August 12, 2016, this month's distribution of base and other allocations (which are posted to GL 812110, and excluding allocations related to reimbursements and revenue collections) is \$10.3 million higher statewide than the estimate for August 2016 provided to the courts in July in the "2016–17 Estimated Monthly Base Distribution" (see Column C1 of the Monthly Trial Court Operations and Court-Appointed Counsel Distribution Computation table, Attachment 1B).

In addition to the now-approved pending Judicial Council allocations provided in the previous version, the updated "2016–17 Estimated Monthly Base Distribution" includes the \$9.4 million preliminary 1% fund balance cap reduction which affects 20 courts, a preliminary \$7.2 million TCTF funds held on behalf of the trial courts allocation adjusted based on the 1% cap reduction affecting 13 courts, and a reduction for appointed converted SJO positions affecting one court. The workbook also updated the amounts of the monthly distributions with significant changes to the month of October.

Please note that the Proposition 47 workload funding reflects only half of total allocation (\$21.4 million). The remaining \$10.7 million will be distributed in January 2017 based on each court's share of statewide petitions for resentencing and reclassification from April 1, 2016, to September 30, 2016. Due to current estimated cash availability in June 2017, we anticipate that \$21.5 million (1.2% of courts' base allocations) will need to be borrowed from other judicial branch funds in order to distribute courts' base allocations fully in June 2017. Otherwise, that portion would be distributed in July 2017.

TCTF Trial Court Operations and Court-Appointed Counsel Reimbursements  
Court-Appointed Counsel Reimbursement

This month's distribution includes reimbursement of 2016–2017 court-appointed dependency counsel expenditures (see Column U of the allocation table). The Judicial Council at its April 17, 2015 meeting approved a methodology for allocating the existing base funding of \$103.7 million based on each court's share of the workload funding need as calculated by the workload model for juvenile dependency with the new allocation methodology phased in over four years. In 2016–2017 (year two), each court's base allocation amount is calculated based 60 percent on its share of the historical base in 2014–2015 and 40 percent on its share of the statewide juvenile dependency workload funding need estimate of \$202.9 million. For the additional \$11 million provided in the 2015 Budget Act, the council directed that any new state funds designated for court-appointed dependency counsel be allocated only to courts with a ratio of allocated base funding to their calculated workload-based funding need below the statewide ratio of base funding to workload-based funding required to meet the workload standard (51.1%). The Judicial Council at its July 29, 2016 meeting approved a modification to the court-appointed counsel funding allocation methodology to provide \$406,000 in relief from the reallocation of funding to courts with smaller caseloads.

Reimbursement funding included in this distribution is based on expenditures reported in the Phoenix Financial System through the prior month. The reimbursement amount includes all year-to-date expenditures posted through the end of the month less any year-to-date distributions. Any entry posted after a given month's calculation will be included in the subsequent month's calculation. If you have any questions about this reimbursement, please contact Don Will, Principal Manager, Center for Families, Children & the Courts, at (415) 865-7557.

Jury Reimbursement

This month's distribution includes reimbursement of 2016–2017 jury costs (see Column V of the allocation table). The reimbursement for all courts consists of the reimbursable costs reported in the Phoenix Financial System for the prior month. If no costs are displayed in the report, either because there were no reimbursable jury costs those months or because the costs were reported in Phoenix after the expenditure report was run, no reimbursement will be provided in this distribution. A final reconciliation of actual expenditures to allocations will be made after the end of the fiscal year.

As a reminder, reimbursed civil juror expenditures should not be reported in Fund 110001. Reimbursement for meals and lodging costs are only allowable for sequestered jurors. Sequestered jurors are jurors not allowed to return home at the end of the day, but instead are ordered by the court to be housed separately and apart from the public, and sometimes their

families, during the entire trial or during deliberations. This is not the same as routine jury deliberations.

#### TCTF Trial Court Operations Distribution Reductions for Program Cost Charges and Other Adjustments

##### Judicial Branch Workers' Compensation Program Premium

This month's distribution includes reduction to reflect this month's premiums for courts participating in the Judicial Branch Workers' Compensation Program (JBWCP) (see Column C of the Charges and Other Special Adjustments table, Attachment 2B). The JBWCP Advisory Committee provided allocation recommendations to the Judicial Council which were approved at its June 24, 2016 business meeting. The reduction amount reflects 1/12th of each court's annual premium. If you have any questions about the JBWCP, please contact Linda Cox, Principal Manager, Human Resources, at (415) 865-4290.

##### Repayment of FY 2015–2016 Cash Advance

This month's distribution includes a reduction for the repayment of cash advances received in FY 2015–2016 (see Column D of the Charges and Other Special Adjustments table, Attachment 2B).

#### TCTF Judges' Compensation Distribution

This month's distribution reflects 1/12th of participating courts' annual amount for judges' local salary reimbursements, which is calculated using the number of authorized judgeships (excluding the 50 unfunded AB 159 judgeships authorized in 2007–2008) for each participating court as of July 1, 2016 as well as the population tier to which the court's county belongs (See Column B, seventh to last column, of Attachment 1A–TCTF, ICNA, and General Fund Distribution Table).

#### TCTF Court Interpreter Program Distribution

This month's distribution (See Column AX of Attachment 1A–TCTF, ICNA, and General Fund Distribution Table) includes the following:

- (1) A true-up of the July staff interpreter distribution for those courts where the FY 2016–2017 Schedule 7A was not yet available and the FY 2015–2016 Schedule 7A was used. This part of the distribution is based on the salaries and benefits of filled staff interpreter positions for model classes 2019A, 2019D, and 2019E;
- (2) 95 percent of one month (1/12th) of the staff interpreter employee costs based on the FY 2016–2017 Schedule 7A;

- (3) Two months (2/12ths) of the salaries and benefits for eligible interpreter coordinators for five courts and two months (2/12ths) of the salaries and benefits and OE&E for 4.0 interpreter supervisors in three courts;
- (4) Actual staff interpreter cross-assignment costs for July;
- (5) Actual costs for contractor services in mandated cases posted in the Phoenix Financial System associated with Fund 110001, Functional Area 1320, and the expenditure accounts eligible for reimbursement (i.e., GL 938502, 938503, 938504, 938505, 938506, 938507, 938509, 938510 and 938511), and;
- (6) Actual contractor costs posted in the expenditure accounts eligible for reimbursement (see 5 above) in the WBSEs for domestic violence, family law cases with domestic violence issues, and elder/dependent adult physical (non-financial) abuse (O-BA9405), and civil (O-BA9406).

#### Immediate and Critical Needs Account Distribution

The Budget Act of 2016 authorizes up to \$50 million of courts' allocation for court operations to be distributed directly from the ICNA. The distribution represents 1/12th of each court's total TCTF reduction adjustment related to the ICNA distribution. The monthly ICNA distribution schedule is displayed in Attachment 5.

*The attached distribution table (Attachment 1B) displays how TCTF trial court operations and court-appointed counsel distributions are computed. Assuming no further adjustments, courts will have received the full allocation with the final 2016–2017 distribution in August 2017.*

*Court funds are not to be used for the purchase of electronic recording equipment except as provided in Government Code section 69957.*

#### Attachments (7)

cc: Mark Dusman, Acting Chief Administrative Officer, JCC Administrative Division  
Zlatko Theodorovic, Director and Chief Financial Officer, JCC Budget Services