



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on: January 22, 2015

Title	Agenda Item Type
Trial Court Allocations: Final Reduction Related to Statutory 1% Cap on 2013–2014 Fund Balance Carryover	Action Required
Rules, Forms, Standards, or Statutes Affected	Effective Date
None	January 22, 2015
Recommended by	Date of Report
Trial Court Budget Advisory Committee Hon. Laurie M. Earl, Chair	January 5, 2015
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Executive Summary

The Trial Court Budget Advisory Committee recommends the Judicial Council approve the final reduction allocation of \$1.7 million related to fund balance in fiscal year 2013–2014 before February 2015, as required by Government Code section 68502.5(c)(2)(A).

Recommendations

With input provided by a one-time, five-member review committee, whose members included Hon. Barry Goode, Trial Court Budget Advisory Committee (TCBAC); Mr. Brian Taylor, TCBAC; Ms. Mary Beth Todd, Court Executives Advisory Committee (CEAC); Mr. Rick Feldstein, CEAC; and Mr. Zlatko Theodorovic, Director of Finance, Judicial Council Finance, the TCBAC recommends that the Judicial Council, effective January 22, 2015, adopt the following recommendations:

1. Adjust the preliminary reduction allocations approved in July 2014 to match the courts' final calculations of the amount above the 1% cap; and

2. Direct Judicial Council staff to provide technical assistance to courts, individually, where warranted, and as a whole, on identified issues of concern in order to improve the process going forward.

Previous Council Action

At its July 2014 meeting, the Judicial Council approved a preliminary one-time allocation reduction of \$2.0 million to courts that were projecting that the portion of their 2013–2014 ending fund balance—subject to the 1 percent fund balance cap—would exceed the cap by \$2.0 million, as required by statute. In addition, the council approved a one-time, five-member review committee comprised of the CEAC chair and vice-chair, the Judicial Council Chief Financial Officer, and two TCBAC members appointed by the TCBAC cochairs to review courts' 1% cap computations for 2013–2014.

Recommendation 1: Adjust Preliminary Reduction Allocations

Adjust the preliminary reduction allocations approved in July 2014 to match the courts' final calculations of the amount above the 1% cap.

Rationale for Recommendation 1

The figures in Attachment 1 reflect courts' finalized and closed accounting records for fiscal year 2013–2014. The figures have been reviewed by a one-time, five-member review committee. Column G displays courts' final computation of the amount above their 1% cap, totaling \$1.7 million. Column H displays the courts' preliminary computation. Column I displays the recommended allocation adjustment for each court, totaling a net \$296,537. The preliminary reductions included 12 courts. The final reductions include 10 courts. Two courts eliminated their reduction. Four of the remaining 10 courts increased their reduction. Five courts reduced their reduction. One court's reduction did not change after closing.

After courts submitted their final calculations, the review committee reviewed the submissions. The review committee members included: Hon. Barry Goode, TCBAC; Mr. Brian Taylor, TCBAC; Ms. Mary Beth Todd, CEAC; Mr. Rick Feldstein, CEAC; and Mr. Zlatko Theodorovic, Director of Finance, Judicial Council Finance. The committee had considerable assistance from the Judicial Council's Finance and Trial Court Administrative Services staff. Without doing a comprehensive audit, the committee reviewed each court's descriptions of its encumbrances, statutorily excluded funds (Gov. Code, § 77203), and prepayments. A few items on each list were questioned and researched, and a few technical errors were corrected. None of the clarifications or updates changed the reduction amounts.

Recommendation 2: Provide Technical Assistance to Courts

Direct the Judicial Council staff to provide technical assistance to courts, individually, where warranted, and as a whole, on identified issues of concern in order to improve the process going forward.

Rationale for Recommendation 2

The review committee found that some courts would benefit from technical assistance in identifying and accounting for certain revenues that are statutorily excluded from the 1% calculation by Government Code section 77203.

Comments, Alternatives Considered, and Policy Implications

This item was not circulated for public comment. No comments concerning the TCBAC's recommendation were received. The TCBAC did not consider any alternatives to these recommendations.

Implementation Requirements, Costs, and Operational Impacts

The allocation adjustments will be included in the February 2015 distributions to trial courts.

Attachments

1. Attachment 1: Final Allocation Reduction for 2013–2014 Fund Balance Above the 1% Cap

Final Allocation Reduction for 2013-2014 Fund Balance Above the 1% Cap

	Cap	FY 2013-14 Fund Balance	Encumbrances	Restricted	Pre- payments	Fund Balance Subject to Cap	Final Reduction	Preliminary Reduction	Allocation Adjustment
Court	A	B	C	D	E	F	G	H	I (G - H)
Alameda	1,065,583	29,769,729	6,231,296	1,619,676	20,800,000	1,118,757	(53,174)	-	(53,174)
Alpine	5,707	740,532	41,632	3,917	35,000	659,983	(654,276)	(627,134)	(27,142)
Amador	27,309	(9,350)	0	0	0	(9,350)	-	-	
Butte	128,650	1,540,201	1,111,427	256,204	43,920	128,650	-	-	-
Calaveras	34,868	402,528	299,565	102,962	0	0	-	-	-
Colusa	24,186	433,229	0	176,695	0	256,533	(232,347)	(255,628)	23,281
Contra Costa	636,288	5,784,278	3,007,685	2,432,534	0	344,059	-	-	-
Del Norte	41,738	1,374,657	364,105	539,158	0	471,394	(429,656)	(522,675)	93,019
El Dorado	84,743	802,247	23,802	453,150	240,559	84,736	-	-	-
Fresno	623,846	3,351,954	1,533,007	835,101	360,000	623,846	-	-	-
Glenn	31,955	449,617	156,000	92,431	150,000	51,186	(19,231)	(58,702)	39,471
Humboldt	87,223	572,076	305,315	126,303	139,840	618	-	-	-
Imperial	152,672	2,859,517	1,979,557	688,104	67,480	124,376	-	-	-
Inyo	35,186	638,320	67,199	536,540	0	34,581	-	-	-
Kern	651,751	8,638,101	5,539,417	2,153,258	373,971	571,455	-	-	-
Kings	96,969	94,881	79,516	0	0	15,365	-	-	-
Lake	40,510	312,347	193,267	83,986	0	35,094	-	-	-
Lassen	34,132	582,808	426,070	74,586	13,344	68,808	(34,676)	(47,596)	12,920
Los Angeles	6,917,846	40,517,436	27,400,000	7,606,111	0	5,577,231	-	-	-
Madera	102,016	1,114,045	479,983	552,397	0	81,665	-	-	-
Marin	173,459	400,579	10,850	320,176	32,430	37,123	-	-	-
Mariposa	16,384	35,535	0	14,093	6,367	15,076	-	-	-
Mendocino	72,979	1,079,404	713,411	45,964	10,353	309,676	(236,697)	(167,662)	(69,036)
Merced	169,823	4,189,608	1,316,151	2,401,797	310,000	161,660	-	(109,723)	109,723
Modoc	12,749	40,985	16,726	12,284	416	11,975	-	(1,096)	1,096
Mono	19,823	24,926	0	24,915	0	10	-	-	-
Monterey	226,132	1,200,955	585,333	475,144	0	140,478	-	-	-
Napa	107,932	965,302	573,176	391,196	0	930	-	-	-
Nevada	66,830	92,080	0	61,180	0	30,900	-	-	-
Orange	2,143,490	10,357,569	4,736,832	3,477,247	0	2,143,490	(0)	-	(0)

	Cap	FY 2013-14 Fund Balance	Encumbrances	Restricted	Pre- payments	Fund Balance Subject to Cap	Final Reduction	Preliminary Reduction	Allocation Adjustment
Court	A	B	C	D	E	F	G	H	I (G - H)
Placer	179,004	825,815	420,016	225,961	51,184	128,654	-	(4,178)	4,178
Plumas	22,779	80,925	40,586	17,675	0	22,664	-	-	-
Riverside	1,356,964	10,178,286	4,900,390	2,304,668	1,616,265	1,356,964	-	-	-
Sacramento	1,009,926	7,742,429	6,041,563	530,159	222,861	947,845	-	-	-
San Benito	42,316	348,268	253,797	29,411	24,422	40,637	-	-	-
San Bernardino	1,131,392	11,644,500	8,389,552	1,144,071	2,110,876	0	-	-	-
San Diego	1,729,969	15,130,779	4,175,591	10,084,055	404,605	466,528	-	-	-
San Francisco	905,843	10,485,251	9,150,788	477,250	22,725	834,488	-	-	-
San Joaquin	340,836	3,198,622	1,820,290	802,760	341,789	233,782	-	-	-
San Luis Obispo	186,782	1,600,502	278,983	1,148,003	0	173,516	-	-	-
San Mateo	423,606	4,754,844	2,754,118	1,877,607	0	123,119	-	-	-
Santa Barbara	306,853	4,650,687	2,027,820	2,316,014	10,091	306,853	-	-	-
Santa Clara	1,079,389	5,706,784	1,495,774	3,289,975	15,120	905,915	-	-	-
Santa Cruz	161,550	1,578,458	1,343,430	235,028	0	0	-	-	-
Shasta	172,372	365,662	178,827	154,893	2,882	29,060	-	-	-
Sierra	6,638	25,940	16,000	3,526	0	6,414	-	-	-
Siskiyou	61,989	529,914	427,159	27,839	0	74,916	(12,927)	(13,296)	370
Solano	246,471	1,457,982	473,139	805,389	0	179,454	-	-	-
Sonoma	307,428	4,042,843	2,401,924	1,234,010	104,529	302,379	-	(198,442)	198,442
Stanislaus	245,316	1,911,042	422,720	1,243,006	0	245,316	(0)	-	(0)
Sutter	64,428	1,032,952	598,962	299,072	109,957	24,961	-	-	-
Tehama	47,361	455,026	355,584	68,466	0	30,976	-	-	-
Trinity	20,093	124,302	75,857	30,590	1,729	16,127	-	-	-
Tulare	239,485	1,231,348	240,821	707,013	7,417	276,097	(36,611)	-	(36,611)
Tuolumne	40,820	83,856	0	40,918	0	42,938	(2,118)	(2,118)	-
Ventura	473,243	1,446,984	1,071,039	69,301	0	306,644	-	-	-
Yolo	135,917	1,175,279	686,045	368,240	0	120,994	-	-	-
Yuba	54,902	496,617	305,757	190,234	5,813	(5,187)	-	-	-
Total	24,826,454	210,661,993	107,537,853	55,282,246	27,635,944	20,282,363	(1,711,712)	(2,008,249)	296,537