



JUDICIAL COUNCIL OF CALIFORNIA

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MEMORANDUM

Date	Action Requested
August 14, 2014	Please Review
To	Deadline
Executive Officers of the Superior Courts Fiscal Contacts of the Superior Courts	The Distribution Will Be Made Available Friday, August 15, 2014
From	Contact
Steven Chang, Manager Trial Court Budget & Technical Support Services, Finance	Colin Simpson Finance (415) 865-4566 colin.simpson@jud.ca.gov
Subject	
FY 2014–2015 Trial Court Trust Fund, Immediate and Critical Needs Account, and General Fund August Distribution (#2)	

The total statewide Trial Court Trust Fund (TCTF), Immediate and Critical Needs Account (ICNA), and General Fund distribution for August is \$260,964,491.

The following documents have been prepared for your information:

- Attachment 1A – TCTF Distribution Table for Programs 45.10, 45.25, and 45.45, which displays the distribution amounts
- Attachment 1B – Monthly Program 45.10 Distribution Computation, which displays the gross and net distribution for Program 45.10
- Attachment 2A – TCTF Program 45.10 Allocation Table, which displays base and one-time allocations
- Attachment 2B – Program 45.10 Charges and Other Special Adjustments
- Attachment 3 – TCTF Program 45.25 Allocation Table
- Attachment 4 – General Fund Allocation of Funding for Trial Court Benefits
- Attachment 5 – Immediate and Critical Needs Account Distribution Schedule

FY 2014–2015 TCTF Allocations Approved by the Judicial Council on July 29

Allocation of \$86.3 Million in New Funding By WAFM and Other WAFM Adjustments

The August allocation includes ongoing funding of \$86.3 million for general court operations allocated in proportion to each court's share identified by the 2014–2015 Workload-based Allocation and Funding Methodology (WAFM) (see Column M of the allocation table). In addition, the August allocation includes a reallocation of 15 percent (\$216.1 million) and an additional \$146.3 million of courts' historical WAFM-related base allocation of \$1.44 billion, reallocation of \$60 million in new funding provided in 2013–2014 for general court operations, and each court's share of the 2014–2015 WAFM funding floor allocation adjustment (see Columns H through L and N through O of the allocation table). If you have any questions about this adjustment, please contact Colin Simpson at (415) 865-4566.

\$41.0 Million in New Benefits Cost Change Funding

The August allocation includes \$41.0 million in ongoing funding for FY 2012–2013 and FY 2013–2014 full-year cost changes for retirement, employee health, and retiree health for non-interpreter employees from the 2014 Budget Act (see Column P of the allocation table). If you have any questions about benefits cost change allocations, please contact Patrick Ballard, Supervising Budget Analyst, Finance, at (818) 558-3115.

\$22.7 Million Estimated Revenue Shortfall Reduction

The August allocation includes a one-time reduction of \$22.7 million to address an estimated revenue shortfall allocated based on each court's share of the FY 2014–2015 total statewide Trial Court Trust Fund base and General Fund base allocations for court operations less each court's 2011–2012 non-sheriff security allocation (see Column Q of the allocation table). If you have any questions about this allocation, please contact Colin Simpson at (415) 865-4566.

\$37.9 Million 2-Percent Reserve Contribution

The August allocation includes a one-time allocation reduction of \$37.9 million. This reduction was allocated pro rata based on each court's share of the FY 2014–2015 total statewide Trial Court Trust Fund base and General Fund base allocations for court operations less each court's 2011–2012 non-sheriff security allocation (see Column R of the allocation table). Government Code section 68502.5(c)(2)(B) requires the Judicial Council to set aside 2 percent of the total funds appropriated in the annual Budget Act for the Support for the Operation of the Trial Courts (Program 45.10) in the TCTF. These funds are to be allocated to trial courts for unforeseen emergencies, unanticipated expenses for existing programs, or unavoidable funding shortfalls. Up to 3/4ths of the \$37.9 million can be allocated by the council by October 31 of each year for unavoidable funding shortfalls, and the remaining funds can be allocated by March 15 for unforeseen emergencies or unanticipated expenses. Applications for funding must be submitted

by October 1 in order for the Judicial Council to consider the request as part of any October 31 allocations. If you have any questions about this allocation, please contact Colin Simpson at (415) 865-4566. If you have any questions about the supplemental funding application process, please contact Patrick Ballard at (818) 558-3115.

Preliminary Reduction for Fund Balance Above the 1% Cap

The August allocation includes a preliminary one-time reduction of \$2.0 million to courts that are projecting the portion of their 2013–2014 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. If you have any questions about this allocation, please contact Colin Simpson at (415) 865-4566.

Distribution of Base and Other Allocations

This month's distribution includes an adjusted distribution of courts' TCTF base allocation (excluding allocations related to reimbursements and revenue collections) based on the estimated available cash in the TCTF on August 15 (see Column D of the Monthly Program 45.10 Distribution Computation table, Attachment 1B).

As in prior years, the distribution of courts' allocations will be front loaded or disbursed earlier during the first three months of the fiscal year, made possible through the front loading of the General Fund transfer into the TCTF that was approved by the Department of Finance. Courts will receive about 50% of each court's total base allocation by September 15, 2014.

We have provided the "2014–15 Estimated TCTF Monthly Base Distribution" workbook to assist courts with cash flow planning. The workbook provides the estimated monthly TCTF base distributions (GL 812110).

Please note that the TCTF base allocation amount in the workbook does not include any assumed allocation amounts for the return of the 2% set-aside of \$37.9 million. In FY 2012–2013, \$27 million of the \$27.8 million 2% set-aside was returned to the courts pro-rata and in FY 2013–2014, \$35.0 million of the \$35.2 million was returned pro-rata. In addition, the Criminal Justice Realignment funding reflects only half of total allocation (\$9.223 million). The remaining \$4.6 million will be allocated based on updated 2013–2014 fourth quarter and 2014–2015 first quarter workload data. Due to current estimated cash availability in June 2015, we anticipate that \$40.0 million (2.6%) of the courts' base allocations will need to be distributed in July 2015 unless funds are borrowed from other judicial branch funds, if available.

We anticipate distributing 100% of courts' GF benefits allocation in December. The ICNA distribution schedule is provided in Attachment 5. For specific questions regarding this distribution, please contact Colin Simpson at (415) 865-4566.

TCTF Program 45.10 Reimbursements

Court-Appointed Counsel Reimbursement

This month's distribution includes reimbursement of FY 2014–2015 court-appointed dependency counsel expenditures (see Column T of the allocation table). Reimbursement funding included in this distribution is based on expenditures reported in the Phoenix Financial System through July 2014. 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 Amy C. Nuñez, Supervising Research Analyst, Center for Families, Children & the Courts, at (415) 865-7564.

Juvenile Dependency Counsel Collections Program / Cost Recovery Reimbursement

The Judicial Council at its February 20, 2014 meeting approved an allocation to eligible trial courts of a one-time share of the approximately \$2.3 million collected by the Juvenile Dependency Counsel Collections Program (JDCCP). The use of the JDCCP monies is statutorily restricted to reducing the caseloads of court-appointed dependency attorneys. For a court to be eligible to receive an allocation of these funds, it must have demonstrated participation in the program by submitting the annual report required by section 13 of the program guidelines and, at a minimum, adopted a rule or policy to inquire regarding a responsible person's ability to reimburse the cost of appointed counsel at each dispositional hearing. Each court that has satisfied those requirements, and whose allocated share of the available base funding for dependency counsel is lower than its share of the statewide estimated funding need, has received an allocation equivalent to its share of the aggregate funding need of all the eligible courts.

This month's distribution includes reimbursement of FY 2014–2015 expenses to reduce court-appointed dependency attorney caseloads (see Column U of the allocation table). Reimbursement funding included in this distribution is based on expenditures reported in the Phoenix Financial System through July 2014. 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 Amy C. Nuñez at (415) 865-7564.

Jury Reimbursement

This month's distribution includes reimbursement of FY 2014–2015 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 July 2014. 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 reconciliation of reimbursements to actual costs will be made after each quarter to deal with adjustments and late reported costs for that quarter. 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.

If you have any questions about this reimbursement, please contact Vicki Muzny, Senior Budget Analyst, Finance, at (415) 865-7553.

Self-Help Center Reimbursement

This month's distribution includes reimbursement of expenses charged in accordance with each court's self-help program as reported in the Phoenix Financial System for July 2014 (see Column D4 of the Monthly Program 45.10 Distribution Computation table, Attachment 1B). If you have any questions about this reimbursement, please contact Penny Davis, Senior Court Services Analyst, Center for Families, Children & the Courts, at (415) 865-8815.

Distribution Reductions for Program Cost Charges and Other Adjustments

Judicial Branch Workers' Compensation Program Premium

This month's distribution includes a reduction to reflect this month's premiums for courts participating in the Judicial Branch Workers' Compensation Program (see Column C of the Charges and Other Special Adjustments table, Attachment 2B). The reduction amount reflects 1/12th of the annual premium for each court. If you have any questions about this adjustment, please contact Linda Cox, Senior Manager, Human Resources, at (415) 865-4290.

Repayment of FY 2013–2014 Cash Advance

This month's distribution includes a reduction for the repayment of cash advances received in FY 2013–2014 (see Column D of the Charges and Other Special Adjustments table, Attachment 2B). For specific questions regarding this adjustment, please contact Colin Simpson at (415) 865-4566.

TCTF Program 45.25 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 for each participating court as of July 1, 2014 as well as the population tier to which the court's county belongs (See Column B, sixth to last column, of Attachment 1A–TCTF, ICNA, and General Fund Distribution Table). For specific questions regarding this distribution, please contact Colin Simpson at (415) 865-4566.

TCTF Program 45.45 Court Interpreter Program Distribution

The August distribution involved the following:

- (1) A true-up of the July staff interpreter distribution (which was based on the salaries and benefits of filled staff interpreter positions for model classes 2019A, 2019D, and 2019E from the FY 2013–2014 Schedule 7A) compared to the same information in the FY 2014–2015 Schedule 7A;
- (2) 95 percent of one month (1/12th) of the staff interpreter employee costs based on the FY 2014–2015 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 in the new WBSEs for domestic violence (O-BA9401), family law cases with domestic violence issues (O-BA9402), elder/dependent adult physical (non-financial) abuse (O-BA9403), and civil with indigent parties (O-BA9404).

For specific questions regarding this distribution, please contact Vicki Muzny at (415) 865-7553.

\$10 Million Distribution from the Immediate and Critical Needs Account (ICNA)

The Budget Act of 2014 authorizes up to \$10 million of courts' allocation for court operations to be distributed directly from the ICNA. Based on the funds available in the ICNA, this allocation will be distributed in the last six months of the fiscal year. The monthly ICNA distribution schedule is displayed in Attachment 5. If you have any questions about this adjustment, please contact Colin Simpson at (415) 865-4566.

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The attached distribution table (Attachment 1B) displays how TCTF Program 45.10 distributions are computed. Assuming no further adjustments, courts will have received the full allocation with the final FY 2014–2015 distribution in August 2015.

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

If you have any questions about this distribution, please contact Colin Simpson.

SC/CS

Attachments (7)

cc: Curt Soderlund, Chief Administrative Officer, JCC Administrative Division
Zlatko Theodorovic, Director, JCC Finance