



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on May 24, 2018

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| Title | Agenda Item Type |
| Judicial Council Budget: Reporting Requirement for Trial Court Trust Fund and the State Trial Court Improvement and Modernization Fund Encumbrances | Action Required |
| | Effective Date |
| | May 24, 2018 |
| Rules, Forms, Standards, or Statutes Affected | Date of Report |
| None | May 9, 2018 |
| Recommended by | Contact |
| Trial Court Budget Advisory Committee | Donna Newman, 916-263-7498 |
| Hon. Jonathan B. Conklin, Chair | Donna.Newman@jud.ca.gov |
| Judicial Council staff | |
| Zlatko Theodorovic, Director | |
| Budget Services | |

Executive Summary

The Trial Court Budget Advisory Committee (TCBAC) proposes changing the required reporting of the encumbrance report for all programs funded from the Trial Court Trust Fund (TCTF) and/or State Trial Court Improvement and Modernization Fund (IMF) from semiannual to annual. Reducing the reporting requirement will increase Judicial Council staff efficiencies.

Recommendation

The Trial Court Budget Advisory Committee unanimously recommends that the Judicial Council, effective May 24, 2018, change reporting requirements on the encumbrances for all programs funded from the TCTF and IMF from semiannual to annual.

Relevant Previous Council Action

At the August 21, 2015, Judicial Council meeting, a recommendation was adopted from the TCBAC requiring Judicial Council staff to submit a report to the TCBAC on TCTF and IMF open encumbrances as outlined below:

- a. By September 30th of each year, an annual report of outstanding encumbrances [as of June 30th] for all programs funded from the TCTF or IMF that support the trial courts, which should identify the amount and purpose of each encumbrance, the name and the vendor/contractor for which the funds are encumbered, the equipment or services related to each encumbrance, and estimated time frames for expenditure or disencumbrance; and
- b. By March 31st of each year, an updated encumbrance report [as of December 31st], containing the same information as the September report and adding updates on the status of encumbrances contained in the September report as well as any new encumbrances that have occurred since the previous September.

(Judicial Council of Cal., Advisory Com. Rep., *Trial Courts: State Trial Court Improvement and Modernization Fund Allocation Adjustments for Fiscal Year 2015–2016* (Aug. 12, 2015), p. 2.)

Approving the recommendations in the August 2015 report, the Judicial Council directed that open encumbrance information be provided for TCTF- and IMF-funded programs “that support the trial courts.” Judicial Council staff assume that all TCTF and IMF expenditures support trial courts.

Analysis/Rationale

The encumbrance reports are currently prepared semiannually. The first report is due to Revenue and Expenditure Subcommittee for encumbrances as of June 30, and the second report is for encumbrances as of December 31 of each year. The report ending December 31 is used as a tool in the planning process for the budget year allocations. The report provided to the R&E through June 30 is not currently used by Judicial Council staff in any processes.

Policy implications

Because the June report is not used by staff, approving this recommendation will affect not policies.

Comments

This proposal did not circulate for public comment, and no comments have been received.

Alternatives considered

The alternative was to not make any changes, however the efficiencies to be gained were more beneficial than the effort to make the proposal.

Fiscal and Operational Impacts

Reducing the reporting requirement will increase Judicial Council staff efficiencies by eliminating the report that is not currently used in any processes.

Attachments and Links

1. Link A: *Trial Courts: State Trial Court Improvement and Modernization Fund Allocation Adjustments for Fiscal Year 2015–2016*, www.courts.ca.gov/documents/jc-20150821-itemK.pdf