

The Judicial Council of California is the constitutionally created policymaking body of the California courts. The council meets at least six times a year for business meetings that are open to the public and audiocast live via the California Courts website. What follows is a formatted and unedited transcript of the last meeting. The official record of each meeting, the meeting minutes, are usually approved by the council at the next business meeting. Much more information about this meeting, the work of the Judicial Council, and the role of the state court system is available on the California Courts website at www.courts.ca.gov.

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>>The meeting will begin shortly.

>> This is a continuation of our Judicial Council meeting, we are now in session and we plan to adjourn today at approximately 1 PM but I want to let you know I am informed that we have some logistical problems that include weather. It also includes maybe one of our presenters had superseding intervening issues, required to be elsewhere but we will play it by ear as we go along. I believe we are joined on the phone today by Mr. Pat Kelly. Are you there?

>> I am here.

>> Ms. Rachel Hill will join us on the phone.

>> Good morning Rachel.

>> Good morning.

>> We thought the judge that was here yesterday might have joined us on the phone but I believe he will not at this point. I want to make an announcement so you know how we are proceeding. As you know we as a council have been working to improve pretrial outcomes for many years. And 2014, many of you may have remembered we allocated funding the 12 trial courts. They were tasked with piloting pretrial decision-making including risk assessment tools, and that was four years ago. Two years ago in 2016, is a social justice issue, I called for review of our pretrial. In a call in October of that same year, I had a workgroup in areas in which court can take pretrial court decisions that will promote decisions and protect the public and ensure court appearances. That work with recommendations came back to council in 2017. They were groundbreaking, they drew on many experiences in other states, and they offered a different future for so many people, and family and provided a framework for the three branches of, you know those proposed changes to the pretrial system in 2018 resulted in change in the law. Governor Newsom recently recognized the potential of pretrial projects in his state budget proposal to enhance public safety, to ensure the rights of defendants and victims and support the efficient and sufficient. As you know the Governor proposed \$75 million to be allocated over to your period by the Judicial Council to fund the implementation operation or evaluation of pretrial decision-making programs or efforts in a ditch to 10 ditch. And 2014 with the pilots, I am announcing a new 12 person, the names of these folks, operation, will be chaired by Justice Marcia that it is to

review progress in the reforms in California system of preproject detention and also to identify next steps to continue work on this important issue, including developing recommendation for funding allocations of those pilots, and examining risk assessment tools. Across California and the nation, pretrial release and detention primarily based on cash bail are slowly being replaced with safer and fairer hybrids in alternatives. In California, you know we are leading and experiencing reform driven by best practices but also pilot projects, also court decisions. And legislation that this workgroup will help continue the momentum toward reform that educates the branch and the public, enhances public safety, and promotes equitable treatment. That is an early announcement. Full names will be released later today. With that I wanted to turn this over to Justice Miller to determine if we have any public comment.

>> Thank you, Chief, at this point we do not have public comment. We will wait to see if we have an individual on the discussion items.

>> Thank you, Justice Miller. Our next order of business is a review and approval of our minutes from the 2019, meeting. After you had up Trinity to re-review I will have a motion to approve and one second. Thank you by Judge Lyons. All in favor of approving the minutes please say aye. Any no? The minutes are approved. The next is my regular report to the council summarizing some of my activities and engagements and outreach on behalf of the branch since our last meeting in November. During this reporting period I had a number of opportunities to administer and participate in swearing-in ceremonies and the Governor's inauguration. I want to mention of course that the oath we swear or affirm the info go to our state and national ideas to our rights and liberties and freedoms. The obligation we take freely is to support and defend the Constitution of the United States and the Constitution of the State of California that it is not loyalty, it is not sworn to any individual ideology or party. In 1789 the very first law passed by the first session of the House of Representatives was an act to regulate the time and manner of administering certain goals. The oath requires us to faithfully discharge our duties in accordance with powers delegated by the Constitution but it also limits our authority. These are the checks and balances in the separation of powers throughout the design of our constitutional democracy. But it is also an opportunity for the three branches of government to work in our lanes and work in harmony. Last week I had the honor of administering the oath of office in attending the inauguration of Gavin Newsom as the 40th governor of California on the west steps of the capitol. And the Governor has carried his vision for California into his first budget proposal. In my interactions with Governor Newsom, he has demonstrated an awareness of the cost and funding issues facing the courts and a desire to collaborate and cooperate on effective and innovative solutions to the issues faced by Californians in the court system. The constitutional officers and executive branch I administered the oath of office to State Controller Betty, Fiona Moll and her deputies in Alex Padilla, officers who among many who have had interest in support for the judicial branch. I also supported local governments swearing-in in West Sacramento, a young person who I have known since he was 16 and into public participation, volunteerism, who is the West Sacramento mayor for years. I enjoy administering the oath of office following the Commission on Judicial Appointments hearings to Justice Tracy Brown, Justice Yolanda Petro, Lawrence Ruben, Brian Curry, and Justice John Wiley Jr. At the

invitation of Senate president Tony Atkins, I had the honor of to administer the oath of office to the new members of the office of the California State Senate. With at least 145 court-related bills highlighted and summarized by a traditional Governmental Affairs office, during the second year of the 17-18 legislative session, we look forward to harmonious collaborative and cooperative relationship with her sister branches in 2019. Governor Brown administered at the ceremony for Associate Justice to the Supreme Court of California at the Stanley Mosk librarian courts living in Sacramento. The entire Supreme Court was there as were many members of Judicial Council and Legislature. As I mentioned yesterday Governor Brown is responsible for filling approximately 600 vacancies on the bench but also for radically altering the demographics of the judicial officers who serve California. We now have the most diverse California has ever had likely in the nation. The face of the courts is now much more reflective of the people in the communities we serve and there is an increased level of demographic, cultural and life experience diversity in our courts. More work remains to be done and it is important to remember that diversity is not synonymous with differences but does encompass difference and similarities and we all share a commitment to fairness, equal access and the rule of law. To encourage the diversity pipeline to the legal profession and ultimately to the bench, I continue to support bar associations, legal organizations. While we had oral argument in Los Angeles, Justice Chin and I attended the Italian American lower Supreme Court annual dinner and the Chancery Club of Los Angeles with many of our colleagues from the Judicial Council past and present and many bar associations there. Finally, I had the pleasure of interacting another critical component of a vibrant constitutional democracy at two media events each on opposite sides of the country. In San Francisco I met with the print and broadcast in my chambers around the table, it covers the court and additional branch. We had that pleasure. Our conversation is free ranging. That conversation ranged from court funding, pretrial reform, 66 into the apparent absence and lack of polarization on the Supreme Court which I attribute to our courtesy. In Washington, D.C. I was a panelist of the nonpartisan national symposium for judges and journalists. The subject of our meeting was “Undermining Courts and the Media: The Consequences for American Democracy” and it was hosted by the National Judicial College at the National Press Club. The judges panel consisted of federal and state judges. Attacks in the judiciary, campaign ads, funded by dark money, attacks by other branches of government or special interest groups and the delicate balance between the delivery of process and transparency in judicial decision-making that for my part I emphasize the importance of civic learning and engagement as a counterpoint to the often insidious degradation of public trust and confidence in the current court system. Restricting funding and a lack of understanding about the judicial process that the general conclusion from this symposium was that civics is very important, the threats are real and the issue continues. This concludes my report to the council and I turn this over to Martin, our Administrative Director.

>> Thank you Chief. I don't know how dear you can go into the year without saying happy new year to you we are at a fast and rapid start. In your materials is my standard written report to you all. It chronicles the activities that occurred between the prior meeting in November to where we are today, even though that was a short window of time, it has updates on the advisory groups, the office and education activities that were occurring. Even in the small short window, 13 of

your advisory groups had convened to continue the work that you direct to them. We had then a more than a dozen live programs held in that window of time. I would like to draw out some additional elements from the written reports to share with you as well as pull some other items that are not necessarily in that report. It provides information to you for your awareness and some of your action items that will be before you today. I would like to cover first the year in review which is a new kind of thing that we started to post out there and give you details on court construction followed by the consent agenda items that will be before you in a very short time. As well as an update of the legislative activity which is already quickly and rapidly underway coming off the transition. As I usually, no meeting could ever be complete without discussion with the state budget in our budget in that context and close my remarks with you this morning in that vein. First of all in terms of the year review because we have completed this calendar year of 2018, we have generated a report that recaps the activity of our council, something we started more informally internally but are now sharing it branchwide and posting it on the public website. We have done that in December, just last month that the review highlights a lot of the progress in issues and challenges that have been spearheaded by the council and the administration issue across many areas, pretrial reform, civics education. That is not an exhaustive list. We have a section called “By The Numbers” which has examples of some of the service that we provide directly or indirectly to folks and it includes a couple of things that I would like to give you a couple of examples of what we mean by the numbers. The 17 million visits to our online self-help center which actually represents about 30 percent of all of the total traffic that goes to the California Courts website. Another interesting number is a 243,000 which is an increase of the number of jury payment checks that are issued by the council on behalf of all of the 58 trial courts. Then we entertained and grappled with and managed almost 900 Public Access to Administrative Records requests under rule 10.500, another volume that continues to increase as the public and interested parties seek more and more information about our activities that the complete reviews out there and available and it sets the context for the broad scope of work that is ongoing that we do to benefit all of the people of California.

>> With respect to court construction, we are off to a rapid start. The report references the good start that we are under way. We have awarded 4 construction management contracts in the short amount of time between the last meeting and now. Those projects that are being enabled are in the superior courts in the cities of Yreka, one in Sonora, one in Shasta and one is El Centro. Those are proceeding on schedule at least for now even though it is early in 2019. The Shasta community no doubt is very excited about this development based on the report you heard yesterday. They can use a boost, something to rally to, so the construction project is good.

>> With respect to the consent agenda, before you there are several budget related items on there for today’s meeting. You are being asked to consider those. One of them is a consider the allocation and adjustments related to the 1 percent cap on trial court fund balances and the Equal Access Fund, and civil counsel dependency programs that specifically you are being asked to approve a new workflow base allocation methodology for what we call AB 1058 which is trial court commission work. To maintain the current methodology to the facilitate program to the fiscal year 2022 to ensure that new workload information can be captured and incorporated into

the existing model. These recommendations come to you by the funding allocation joint subcommittee that was appointed to reconsider methodologies that were developed for both of those programs that those methodologies I understand go back to decades almost in 1997, so a refresh of those is certainly in order given where we are. Finally on the consent agenda there's a report and recommendation for the trial court budget committee to act on on an ongoing basis changes to the court-appointed counsel funding methodology to address the unique circumstances in our smaller rural court settings. This is particularly important because the Governor's inclusion of \$20 million of funding for dependency counsel is proposing a budget for the upcoming fiscal year. It is certainly welcomed although we cannot take anything for granted at this stage, it is cause for optimism for us starting to understand and see this particular administration's approach to the important work and needs that are unmet in that area.

>> Next, legislative activity. I should mention some things there that are new to the restart of the two-year session for 2019 and 2020. The Chief noted at the swearing-in ceremony that she officiated between the both houses and again the numbers, there are 17 freshman brand-new legislators among the 120, 4 senators who previously served in the Assembly have moved on to the Senate. As always, I know it is of interest to note for our judicial branch family, the composition of family with legal backgrounds. Four of them have law degrees. The Legislature have already reconvened for its regular business on January 7 and they have already introduced about 200 bills for this session. Our Governmental Affairs office tracks all of the bills and is currently tracking 40 of those court bills that they tab court related. They are ranging from pretrial, risk assessment tools, gun violence restraining orders, human trafficking, judgeships. In terms of the leadership in the assignments, some of those are out. Most if not all are out from the Speaker as well as the Pro Tem and notable for us is that Senator Jackson will continue as the chair of the Judiciary Committee as well as a member of the Judicial Council. Senator Holly Mitchell will continue as the budget chair on the Senate side and on the Assembly side, Assembly Member Stone in team will continue in their roles respectfully as chairs, and chair of the Assembly Budget Committee. Which is a nice segue to the last subject which is our budget. Finally, as we go to the, the chief mentioned, we have a pretty good start on this budget process for the upcoming year in new money for key programs. The [Indiscernible] proposal is out. It concludes nine months of work from a number of folks that I would like to thank. I will not name them all because I will no doubt leave people out but, a heartfelt thank you to the hard work that goes into this nine-month cycle to the Judicial Council itself, its lower committees in form of the Judicial Budget Branch Committee, the advisory committee, they are then performed by other committees, criminal law advisory, the facilities committee group, the Fam group, the Futures Commission workgroups that are out there, all bundled up into all of this. My thanks to the Chief herself, as well as our key staff members, John, Lucy, etc. they in turn have their own thank you's downstream for all of them being available around the clock, especially in November and December when this really starts to accelerate. Particularly in this year in the transition. In brief though, the proposal is \$327 million in new General Fund dollars and it reflects a mix of the new governor's priorities as well as the priorities of the council in the judicial branch. The details are in print and it is on the website so I will not cover and unpack all \$327 million. Those are available. As always some will see more positives in there and of course some people will see

negatives because there are disappointments in there with things getting funded. For those experiencing disappointment, a reminder it is not something to give up on, sometimes it could take one year or two years, three years to build into some of these things to the point they get to the position of timing and approval. Even if there is disapproval of what is not and we will continue. Some broad themes before concluding is that there is a lot in there that connects with what we call our collective goals of 1K Ace of stable and funding model, the backfilling policies for cause we cannot control remain intact with this particular administration, and they have helped us address some of the insolvencies in some of our other funds so we are gratified to have those commitments on the new administration. Connect with our goal for modernizing our operations in form of case management systems and in the water of the pilot project in terms of those priorities and projects, and how we have tried to organize and put the public and users at the center of the things we do. I think this budget connects with that objective that we have all been working on for multiple years. Lastly, the Chief mentioned, the recognition that pretrial is changing and has already changed and continues to change in California. That is not only the acknowledgment in that but substantial investment in that regardless of what is occurring on SB 10 so it does recognize the amount of change over multiple years and expects and invest in more changing in that respect. I want to emphasize that the Governor's proposal again is just that, a proposal. In terms of next steps we will continue to work with the new administration and the Legislature over the next several months as a process moves forward. We had the opportunity later this morning to focus on the broader budget environment. The new administration, the new governor, the new finance director, TV allow one of their economists to present and come to us and expectation to be part of what it is the work we are doing here, and again if the logistics and schedules work together she will be introduced and she can share her insights and responses. Some of you remember she was here before in 2016 or so. It will help shape the perspective of the work we are doing on a go forward basis and connects with how we try to create stability in the environment for the people who need their priorities and their needs addressed by this branch. Thank you members again for getting us to this particular point that in the practice as it is a year-round endeavor and we will continue to work on it. Thank you for your attention this morning.

>> Thank you, Martin. We will have a JC presentation from our internal chairs, we will start with Justice Miller.

>> Thank you Chief. As usual my written report will be online. As a reminder, Executive Planning and their responsibility is to set the agenda for the council members, oversee Judicial Council advisory committees, and also reviews the nominations for all of the Judicial Council advisory committees before we forward them on to the Chief. However one of our most important duties is to solicit and review nominations for Judicial Council members who are appointed by the Chief Justice. These include all members except the two appointed by the Legislature. The 4 by the state bar in the current president of the California Judges Association. Members spend about an average of three years on the council and about a third of the members rotate off each year. This ensures that the council has both continuity and a constant flow of fresh perspectives and ideas. When we solicit nominations the Chief Justice asks us to seek out

justices, judges and court executives committed to civility and possesses a statewide perspective. A perspective that takes into consideration the benefit of all the public, a perspective not beholden to any one special interest group. Finally the Chief Justice looks for diversity because she believes diversity begets empathy, critical thinking, and open-mindedness. So she looks for diversity in experience, expertise, ethnicity, and gender. The nomination process for the council as usual will begin in approximately three months and go through the end of March. Information on applications will soon be posted online and I encourage any of those who are listening that fit within the category to consider applying. Chief, that concludes my report.

>> [Indiscernible - low volume]

>> Thank you, Chief. The legislature as Martin indicated can reconvene on January 7 for the first year the 2019-2020 session. An update today, 387 bills have been introduced. The legislature's deadline for introduction of bills is February 22. We anticipate fast and furious filing of bills and I am going to thank the PCLC committee in advance for always being prepared, being on time, and being very smart and their analysis of these bills. Chief, that concludes my report.

>> I anticipate we will be hearing much more from you in the very near future. Next we have Judge Delila who were present for vice chair for Rules and Projects.

>> Good morning Chief and members of the council. The Rules and Projects Committee met once and then we also acted by email since our last meeting in November. RUPRO by email and December 7 to consider a request by the Civil and Small Claims Committee, advisory committee for the appointment of a non-advisory committee meeting to the chair in an ad hoc subcommittee, the joint secrecy subcommittee and it was approved. December 10, we met by telephone to consider a total of 12 different proposals. 9 of those proposals were recommended by the advisory committees to circulate for comment during the winter comment cycle which was approved. Following the circulation, for further review by the proponent advisory committees, these proposers are expected to come before this body sometime, hopefully in our May business meeting. One item was suggested from a member of the public to amend rule 10.500, and 10.620 on public access to judicial administrative records and administrative decisions of trial courts. [Indiscernible] decline that suggestion. As far as the consent agenda, they recommend approval of the remaining two proposals which are 19-009 and 19-110. Both of those deal with technical changes to forms. This concludes my report.

>> We would hear now from Justice Marsha.

>> Good morning. Since our last meeting, JCIT held one meeting in addition the Information Technology Advisory Committee also known as ITAC has met once and they are working on updating the Technical Plan for Technology which has been distributed for branchwide comments. Yesterday, the committee received a report on the work related to the 2019-2020 update for the technical update for technology. We also had a report regarding technology related budget change proposals. We reviewed and approved the annual agenda for ITAC and finally we held a short education session to learn about emerging technologies. ITAC met on December 3

with their primary focus being that of finishing the work for the annual agenda for the upcoming year. The work streams continue to be fully engaged, members as you know, include judicial offices, IT professionals, those in court operations as well as Judicial Council staff. Participants are working together to develop solutions to effectively address statewide technology issues, consistent with 3-D access initiative. The judicial branch technology is really an infrastructure to help provide efficiencies within our courts to help all Californians access our judicial system. I want to congratulate ITAC's work stream for updating the technical plan for 2019-2020. As stated it is currently circulating for branchwide comment. It will then go out for public comment just as the strategic plan did and ultimately will be before this body for a vote. I also wish to say that I am encouraged by and appreciate Governor Newsom's proposed budget with continued investment in technology. As Martin mentioned, it is a proposed budget, we do not take this for granted, we are mindful that there is still a lot of work to do before we get to the final budget. However, this investment that is in the proposed budget, will continue to put the public and access to justice at the center which is something that again acknowledges the three initiatives for Access 3-D. In closing Chief, thank you very much for your leadership, for your direction, and thank you for the IT community for your continued good hard work. That concludes my report.

>> Thank you.

>> Thank you Chief dot in an effort to familiarize branch members who are listening in that periodically we will have other members deliver the report for the committee. Today I'm pleased to introduce Andrea Vroman who is the CEO of the Third District Court of Appeals that she has been with the branch for two and half years. [Indiscernible - low volume] information technology, she is a rising star.

>> Thank you Judge Rubin. Thank you Chief and council members. This report represents our committee activities since the last council meeting in November 2018. As you know, the budget committee takes a branchwide approach in its work, promoting the efficient fiscal prudent effective and fair allocation of limited resources reflecting our branch's overall statewide interest that the Judicial Branch Budget Committee is meeting this afternoon to discuss telephonic permit fees in civil cases and the court innovations grant program that in addition, from the Fifth Appellate District, Streeter with the First Appellate District will be providing the committee with an overview of the work of the Appellate Defense Oversight Advisory Committee. This educational session will provide us with an information that will assist us when determining concepts to advance as budget change proposals for fiscal year 20-21. Turning now to the Court Innovations Grant Program that we have a presentation later on this morning during which representatives from San Bernardino County, along with Judge Brodie will present and provide information related to the courts use of videoconferencing to facilitate child custody recommending counseling sessions. This will be an exciting presentation of a program helping verbal populations gain greater access to our courts. There is also an informational item on the Council's agenda today which is the quarterly report on the court innovations core program. This report summarizing activities of the Judicial Council's court innovations core program during the

first quarter of fiscal year 2018-19. Highlights include a total of 50 projects are moving forward with approved funding. The amount awarded to these projects totals \$22.9 million. \$15.9 million has been distributed to the projects, additional funds will be distributed in the fiscal year beginning 19-20 or as approved by the judicial branch committee. We have maintain a contingency fund which at the end of the first quarter was just under \$2 million. The JBBC will continue to monitor the one closely and report on any changes as well as efforts to ensure that these monies are utilized going forward. Council staff are continuing to collect track and analyze project data related to outcome measurement reporting, these metrics provide key insights about how well the public benefits from each of the projects. Project grantees have completed submitted quarterly progress reports to staff for the first quarter of this fiscal year, and the second quarter reports are due January 30. We have provided a few program highlights in the report and these include, the implementation of videoconferencing and mental health hearings in Sacramento superior court, to minimize the transport participant, Sacramento superior court ability [Indiscernible - low volume], and in the near future, generate reports to share with its justice partners such as generating demographic information and case information. The implementation of online payment plans in the Superior Court of Orange County self-help portal. Thanks you as always to our dedicated staff, we could not do this work without them. That concludes the JBBC report.

>> Thank you. Next I turn it over to Justice Miller for liaison reports.

>> Thank you Chief we have one report today from Judge for the County of Santa Barbara. Judge?

>> Thank you. I think there is a PowerPoint coming on. Good morning. I am pleased to present this liaison report. Following my visit to Santa Barbara County on November 14 of last year, I would like to mention there were two areas of primary concern that the Santa Barbara bench and leadership brought to my attention. Mainly security enhancement and the second being facilities. Getting started here, you see a photograph of Chumash Indians participating in a native dance. The reason I wanted to start with this slide is to show the deep connection and history of the Chumash tribe which is still present in Santa Barbara County. The total population of Santa Barbara County today is about 500,000 people. Santa Barbara County has three areas for its courthouses, the largest courthouse is in Santa Maria which is located in the northern part of the county. About 110,000 people live in the general area. The second largest city in Santa Barbara County is Santa Barbara which is 75 miles south of Santa Maria. There is a small courtroom in Lompoc. The adjacent county to Santa Barbara is Ventura County, San Luis Obispo County. I wanted to spend a couple of minutes and let you know, give you a sense of the demographics of Santa Barbara County dot in the north's primarily agriculture. Strawberries and wine grapes are its primary products. Oil development is very large and there is military interests around the Vandenberg Air Force Base dot in the south around the city of Santa Barbara, tourism, high-tech pursuits, and University of California at Santa Barbara where 10,000 people are employed. I had the pleasure of meeting with Presiding Judge Patricia Kelly and Court Executive Officer Darrell Parker and the criminal operations manager Angelo Braun who you see in the slide. I wanted to

give you a sense of some recent history in Santa Barbara County to give you a perspective of the spirit of the people of Santa Barbara County.

>> Interestingly in 1942 a Japanese submarine surfaced offshore on coastal targets starting the West Coast invasion scare. It influenced the decision to intern Japanese Americans. In 1969 the largest oil spill in the United States waters by that time occurred, spewing an estimated 3 million gallons of crude oil into the ocean. Shortly thereafter, the California Environmental Quality Act became law. And more recently, in December 2017, the Thomas Fire was the largest fire in state history, scorching 282,000 acres and destroyed 2800 homes and structures in Santa Barbara and neighboring Ventura counties that 15 people died and only a few weeks later, it was just about last week I think which was the one year anniversary of the tragic mudslides in Montecito which killed 21 people.

>> With that backdrop, I asked Presiding Judge Kelly how did Santa Barbara court with this 21 judges and one family law commissioner bounce back from the recent Thomas Fire and mudslides? What I drew from her comments and her review of what has been going on in her court, I summarize it by describing it as resilience. By that I mean management's ability to provide flexible work hours with limited time off for staff. This was during the fires and the mudslides and bench officers were flexible with work assignments. Safety and health were the highest priority. What we heard yesterday with the presentation on the emergency response that has been, with many of the features that are in place, Santa Barbara was practicing that last year and addressing the emergencies that they faced. One of the major features in practicing resilience during the time of the mudslides and the fire was the fact that Santa Barbara is a mandatory e-filing court so reliable recovery and backup power was in place, although the server room was not secure. The Santa Barbara court is grateful to the JCC IT division for offering help to develop a plan to move servers to a secure location. That will require retrofitting of a building and emergency generators but it is noted that the courts remained open during the time as fire and mudslides.

>> Here's a picture of the Thomas Fire area geographically. It is noted that part of the success of getting through that emergency is the Ventura County court's law enforcement personnel were great neighbors that they help them coordinate and provide resources to house and transport inmates in advance for court appearances, and provided facilities so no court functions were interrupted. This is a great example about how neighboring counties can share resources both human and physical. My tour of the facilities began at the Anacapa courthouse which is a Spanish colonial design building completed in 1929. Here you can see some elaborate painting murals and ornate wrought iron chandeliers. Then we walked up to the tower at the top of this courthouse. There is Mr. Parker showing me the panoramic view of the Santa Barbara bay. Here we are visiting with Judge Thomas Adams in his chambers in the Anacapa courthouse. I was joined during this visit by Judge Paul Merigonda from Santa Cruz who is from the California Judges Association.

>> Here's a photograph of the front of the Anacapa courthouse. It is an open parklike site. Directly across the street from the Anacapa courthouse is the Figueroa courthouse and you see it

on the left side with that picture. On the right I am depicting a drawing schematic of what the new Figueroa courthouse should look like hopefully soon, in the next 2 years. I journeyed up 75 miles to the northern part of the county to visit the Santa Maria campus as it is called which includes county offices. I asked the leadership about how they were able to get through some of these emergencies that they have been facing. It was through coordination, cooperation and communication with county partners and the local bar associations to design and implement plans and communicate with the public about maintaining access to justice through fires and floods. Santa Maria faced some severe flooding in some of its courtrooms to this year and that continues to impact one quarter of the courtrooms today and they are working with others particularly the bar associations to maintain access to justice. Here is a picture of court executive officer Darrell Parker. He is actively involved in a statewide coalition of court executives to maximize efficiencies of resources to address security and how to use resources to make purchases of scale. Additionally, he has been instrumental in putting a local workgroup together to address funding for security. The Santa Barbara court is grateful that Chief Justice visited their court last February and they look forward to your next visit. Likewise, the court is grateful for the support of Judicial Council member center Hannah Beth Jackson from the 19th Senate District for all that she does for the Santa Barbara court. Here's a picture of a compilation of this her cheek strategic plan and priorities that was designed in 2006 and is still part of the implementation phase. Presiding Judge Kelly mentioned that technology helps bring people together and that has been one of the key aspects of their ability to practice resilience. However, the court is concerned that they are losing outstanding talent to other public agencies and they are unable to increase pay raises which is something that is impacting employee morale. I leave you with this last image of some calm within the storm and I hope that reflects the Santa Barbara courts spirit to bounce back from emergencies and other difficulties. Thank you, that concludes my presentation. I would like to save special thanks to the Judicial Council staff for their assistance in helping me prepare for this presentation. I would also like to thank the Van Nuys judicial secretary for her assistance as well. This concludes my presentation.

>> Thank you Chief, I have an observation. First of all to send our regards to our former colleague on the Council Jim Herman. We hope him and all of his colleagues are doing well in Santa Barbara. The question I had, you noted some security concerns. I noted both in the Santa Barbara courthouses and Santa Maria, do we know if those concerns are being addressed at this point between the court and perhaps Judicial Council staff? Spec I did point out the fact that the CEO Darrell Parker is on top of it and he has put together workgroup to address that. Much of it relates to funding. And also making sure that the resources that they bring to bear to the issue are adequate to address the changes in technology. They may be able to secure new designs and the like for today but they want to make sure that they are adequate moving forward with respect for example, security cameras and things of that like.

>> That is good to hear.

>> Next we have our agenda item that you heard about some of them already and yet you also heard about the preparations of consent agenda items that I think all of the Judicial Council

advisory body members and staff for the enormous amount of work that goes into preparing these consent agenda items. The fact that they are consent reflects I think their outreach, their collaboration, and they continue to help us make policy and good decisions going forward and keeping is current with the issues that are facing the judiciary through the advisory body members work, and comes to us on the consent agenda items. As you know, any council member can take a consent agenda item, take it off, put it on the discussion agenda with about 24 or 48 hours' notice for us to be able to do so. At this time I ask you to take another review of the consent agenda and I would entertain any motions to move it and second it.

>> I will move.

>> Seconded by Justice Chin. All in favor of approver please say aye.

>> Any abstentions? They are approved. I know it shows in your agenda will we recess but we have moved along rapidly so at this time I will not set that. Feel free to take recesses as needed. I believe if we have our first discussion item ready, I will call to the presenters table for budget services that your agenda indicate, the judge was to be here but was called away for core business today.

>> Good morning Chief and members of the Council, happy new year to you all. I am happy to be here to present this issue and allocation of funding. As part of the 19 of the 2018 budget package, there was a funding of \$2.9 million provided to the branch specifically to fund two new judgeships in the Riverside court. There were aspects of that as it relates to the judge's salary about \$768,000, funding for court interpreters of \$256,000, ultimately one point [Indiscernible] for support of the specifically for the county. This should be available for the Riverside court so this recommendation was deliberated through the budget advisory committee is brought to you today reflects that budget bill language requirement in terms of the proposed allocation. So we have this issue before you to allocate these funds to the Riverside court.

>> Thank you. Of course as you mention this followed upon many of our other decisions as it pertains to the current year. Looking at the recommendation to disperse this money, I will entertain any questions and or motions and of course as you know, discussion after motions remain. Thank you Judge Nadler. The second is by Judge Rubin. I would say we have had much discussion about these two positions and we have had many efforts at trying to [Indiscernible - low volume] as we came to the time of the budget, and now the allocation, it is a sweet success. I am not seeing any hands raise her comments being made at this time, all in favor of improving this recommendation, please say aye. Any no? Any abstentions? Thank you judge.

>> Thank you Chief and members of the Council, I appreciate your support. As I have alluded to earlier dock [Indiscernible - low volume], we will take the recess for approximately 10 minutes until 9:40 AM. [Indiscernible - low volume]

>> [Event on 10 minute break. Will reconvene at 9:40 AM]

>> Good morning, I invite you to resume your seats. We are going to take things a little bit out of order. Instead of the Language Access Plan agenda item number 19-018, it is a pleasure now to be inviting the Superior Court of San Bernardino County for their court innovations grant program. This is not an action item it is a presentation. I will turn it over to Judge Brody to introduce the panel.

>>Thank you, Chief . I play him on TV. In any event, the Judicial Branch Budget Committee awardee courts are committed to providing live project presentations and demonstrations to the branch and specifically to the Council to inform the Council of the good work that these innovation grants are accomplishing. Today will be the second of these presentations. It is presented by the San Bernardino Superior Court just was awarded \$36,000 for the self-help family in juvenile court grant funding category. Today we will your presentation about the San Bernardino Superior Court's use of videoconferencing to facilitate child custody recommending counseling sessions and this enables all parties to communicate more effectively then telephonic participation, and it better equips the recommending counselors to make a good solid recommendation after the session has concluded. I would like to introduce the court representatives today. We have with us today, Joe Navarro, he's a family and children division manager, the court supervisor, they will give you a presentation of the program of the innovation grant and what they accomplished. Welcome to both of you, good to see you.

>> Thank you for having us, my name is Joe Navarro. I am with the San Bernardino Superior Court. As a licensed family therapist, I have spent my adult career helping children and families going through life challenges and struggles and trying to help them therapeutically. My work at the court, we get to help with dealing with the struggles with divorce and separation and figuring out how they might share time with the children and parenting responsibilities once they decide to separate. Today we will talk a little bit about, I will speak loudly, we will talk a little bit about our work and how this innovation grant has helped us to create more access for court users. I am grateful to be here and for the opportunity to share with you about the good work we have been doing in San Bernardino. I will let my co-presenter share little bit about herself before we start.

>> I'm a Family Court, I have been with the court for 11 years now. My first four years with the court was as a mediator. I have been a supervisor in the department for about six years now. I am excited because my passion is a licensed family therapist is always people in service to people. Doing something innovative and allowing the public to have better access to our courts and enhancing service is a real passion of mine that I had a dream about doing something like this about five years ago, and as it has come to fruition, and given the honor to spearheading the committee for that and awarding the grant funding to make it possible has been excited so we are excited to be here to present to you all.

>> I want to start with the real high level of the service we provide. I will refer to it as mediation. It is working with families to try to help them resolve any custody or visitation disputes they may have. It is sharing parenting responsibility. In our department we provide orientation to the families to help them understand what the process looks like, what to expect, what our goals are not the primary service we provide is mediation. Some other services we offer to support our

judges is child only interviews. At times the judge may want us to talk to children only, we do collateral contacts with therapists, law enforcement's, protective services by judicial order and we also offer premarital and marital councils the mirror. We have had in person meetings, this is how it has been for ages and ages, we meet face-to-face. Or telephonic has been in service expansion. When the budget crisis hit, we started to expand our leniency with providing service by phone for parties that could not make it. Now we have the option of providing videoconferencing to families. We will talk about the benefits for families, but that is our new delivery option. For the grant, we establish some criteria, who could participate by video. Our criteria that we had, they have to live out of state, out of County or if they are in County, a distance away. Some of our largest were furthest parts of the county are many miles away so we do often that service to help families avoid the long commute to a courthouse for service. The project aligns with the strategic plans of the Judicial Council, the judicial branch strategic plan for technology specifically that the San Bernardino Superior Court strategic plan that increases access to the court and enhances service delivery. These are the three talking points that we will cover today. She will talk a little bit about our challenges.

>> In San Bernardino County we have a very large county as I'm sure you know from one end to the next, north to south, 134 miles and east to west 210 miles. We are the largest county and all of the continental United States. We have 12 percent of the California geographical area. We have a population of 2.1 million. Our county is larger than the state of Massachusetts or were my combined so we have big challenges when it comes to providing services to those in outlying areas. To give you a scale, if you were to move our county up to the Bay Area, it will cover all or part of 23 different counties. That is a large scale of our public that we are trying to serve. It does present unique challenges and the ability to be able to provide enhanced service for those who participate remotely has proved to be very positive for the public.

>> Real briefly, the alignment with the strategic plans of the judicial branch in terms of vision for technology, there are few bullets I will not read them all but what stands out and fits nicely with our project is, being able to provide access to justice in a broader range and higher quality of services to the public and the families we serve. When I read the vision and had access to it I said it fits well with our efforts to provide the increased access in a different approach to providing services. Our San Bernardino County for the strategic plan talks about expanding cost-effective technology to increase access efficiency. This project as you all know, probably the cause of the various branches throughout the state were approved, it was not a huge investment so there was some cost-effectiveness with implementing this program. We talk about increased access to the court it is in alignment as Joe mentioned with the vision to improve access to justice.

>> It addresses the geographical distances, it addresses transportation related challenges that we have, it provides enhanced level of access for remote participants in particular, it reduces travel cost, it is convenient and easy to use, and it is free which addresses some of the associated socio-economic challenges that are unique to our county as well. 90 percent of all communication is nonverbal. When you think about comparing participating remotely by way of telephone versus

audiovideo, it is definitely much more enhanced. I am sure a lot of you have experience using FaceTime, Skype and those types of interactions.

>> [Captioner transitioning]

>>Also for counselors that are expected to do an assessment. It improves the ability to identify body language and cues and the affect of the participants and also the physical observations of their surroundings and their environment gives us a peek into their lives and where they are coming from and there is some unique things we have been able to gather in terms of information by seeing their physical environment. It also helps with the assurance of confidentiality. We wonder when we interview parents over the phone or children in particular whether there is anyone in the room causing them to say certain things so we can ask that they take their mobile device or their camera from the room so we have an idea as to whether they are speaking on their own accord.

>> Achievements, we implemented the new service delivery option January of 2018 so we have a full year of data about the implementation. Are surveys from the public, from court users, from the counselors who use the technology have all been positive. There is -- we have gotten feedback from our judges that the parties when they end up in court they express a deep appreciation for the court offering this type of enhanced service. So there is a lot of good feedback from everybody that is using it as far as it being a positive experience. The communication is much improved by having the video technology and it is a better service option the more quality service option for people who must participate remotely. Again these are typically folks that would've had access via phone but again the videoconference is an improved service option for them. We have also expanded the use to not just mediations but as I mentioned we have times where we interview children that might reside in another state so to conduct the child interview by a video versus a phone interview is much more interactive and much more engaged. One of our counselors later that we will connect with and San Bernardino will talk about their experience working with children via video conference. We get some cars off the road when we provide service video conference which supports a better environment.

>> Are statistics for the first year, 221 of our users that met criteria opted in to have a video conference session and that typically looks like at appointment setting and when we identify they meet criteria they are offered the service and they either can say yes that sounds great and I want to try the new tech knowledge he or the phone is fine with me are no I would still rather just come in even if it means from another state or county coming in. They want that in person service. Out of the 436 that met criteria 215 opted out and said I would rather come in person or dissipate by phone. Again we want to keep existing services in place so there is no problem with that and it still creates access and the ability to be served. Ultimately hundred and 52 videoconferences have been held. When we talk about 221 originally scheduled we learned that although at appointment scheduling they may opt in a lot of these families end up showing up the day of their mediation in person and they decided they rather would come in and have the mediation in person and or opt for the telephone instead but nonetheless we conducted 152. 40 of those were children interview only so we were able to use the service for that.

>> Will talk about the platform we have used.

>> We as a court had already utilized and had a license to utilize the BlueJeans Videoconference service. This is an interesting name obviously it raised a lot of questions and I learned BlueJeans is about you can be in your bluejeans and still conduct business and no one knows so that's where the name bluejeans comes from but it could be used we have used internally for conducting remote videoconferences so we thought if it works well for us internally why don't we expand this and see how it would work for using it for a public. So the great thing about BlueJeans is it is accessible anywhere via Wi-Fi or cellular. Is available for users across several platforms. At the cloud-based very secure platform that we use, it's private. It is very easy to use. You will get a sense of that when we demonstrate it. There is a high level of encryption everyone gets a meeting invite so it's not open you have to have a meeting number and invite in its streamlined and it is free. Again these were all the things that led us to decide to go with this platform.

>> It can be used on all types of mobile devices, smart phones, laptops, iPhones, desktop computers and it is available to use on both platforms of Android those that have a Galaxy and Samsung phones and iPhones there are separate apps developed for those platforms so there is easy access. The only thing required is that you must have a camera so you must have a camera on your phone or desktop in order to utilize it. There is an audio option and we do a private camera in order to appear.

>> Okay next we want to show you a demonstration. We did a couple approaches for the presentation today we created a nice video that shows the process in action. After that we will try to connect with some of our team members at home in San Bernardino and we already connected, it was an issue and hopefully the sound works. we tested it last week and it worked fine then. The next part is our demo in the video that was created.

>> Video being played. [Music]

>> Okay and so the video walked us through what it might look like for the users and so my next piece here is to show basically how parties get and so at appointment setting may make their appointment they have mediation once the party shows up they receive an email similar to this it may be hard to read. In that email there is a joint meeting link right there so that is all they have to do is we join the meeting and we have some of our team members back in San Bernardino and this is one of our counselors. hello Michelle from San Francisco. She is one of our mediators and child custody recommending counselors. This view shows you if I were in San Francisco living here and or working here today and I could not be present for my mediation appointment but she would say and then also what the user would see back at home. Typically as you see the empty chair the other parent would be present in the mediation office with the counselor and there would be this interaction. As we know being able to see each other and communicate is much different, she can see me smile, she can see if I get angry during the session, there is all kinds of affect and body language and social cues she can pick up on during the mediation process. So it would not be here is how easy it is to connect and that was the intent of the video and the

connecting to the meeting currently is to show you there is a ease of use but we thought Michelle you could share a little bit about the benefits and your work having the videoconference tech knowledge he with counsel. I know you cannot see everyone in my laptop is wired so I could show you that there is a Judicial Council here listening to what you have to share with us.

>> No pressure Michelle.

>> There've been several benefits of the conferencing first thing the telephonic. One as therapists we are able to connect with the parties and establish rapport and see each other face to face rather than hear each other on the phone and wonder what's going on and who's talking and what they look like. As a counselor we can address nonverbal behaviors and this is especially helpful in cases where there are allegations of substance use so we could look and see what is someone's demeanor and effect and what are the behavioral characteristics. Are their pupils dilated, are they twitching or licking their lips, getting up and walking around and fidgeting. We can ensure confidentiality because they know they have to be in a confidential location with no third-party present so we can see and have them stand if anyone else's in the room, we make sure there is no coaching going on, we ensure their safety when we use telephonic sessions we have people driving in their car while on speakerphone and we would say pull to the side of the road for their safety. We had experience interviewing children by telephone so I asked them how is this for you, is it awkward or weird and by and large their response has been very positive because they have used technology a lot and have a lot of experience with their earphones and engaging with other people or FaceTime and other applications. It is Ben Smith with the children, probably easier for the minors and the adults but it has been an asset to our program.

>> Great thank you Michelle for the feedback. We are time-limited with the presentation so before I let Michelle go are there any questions anyone has for someone who is actually using the program?

>> I have one. I am all for this videoconferencing for many ways and I applaud you for doing this. I have a question for you. When one of the parents is present and the other one is appearing by video does a person that appears by video feel disadvantaged for not being in the room? Were you able to hear that Michelle?

>> Yes. It is not been my experience. First they have set it up by video and when they are finished with the session they complete a survey and it talks about whether the video conferencing I think you saw the survey on the slideshow, where they happy with the process or in lieu of not being here in person and as long as they are able their feedback is usually they are happy to be seeing everyone. They're not comfortable by telephone because they don't know what's going on in the office so it seems like at the neutral process.

>> That is a good question when we talk about some of the folks that may have scheduled the mediation showing up in person and sometimes that may be the logic or thinking as they feel it might be better for their situation if they make a personal appearance. Another question?

>> I have a quick question on whether or not you find the fact that one may be on videoconference and perhaps the other on videoconference and someone in the room, does that dissipate any of the hostility that might otherwise occur if they were both in the room together? Are you finding that?

>> I'm assuming these are fairly contentious cases.

>> Most of our clients still come in dancing on their footsteps but unfortunately very few reported agreements walking in. Sometimes is a highly emotional situation if they don't sit in the same room and it may be helpful for them. By and large most of the cases we see the parents together. I had an opportunity to do a dual video conference, each parent was videoconferencing into me because they were out of state or out of state for work and that works well because we could see each other and talk.

>> Okay one more question?

>> I did have a question.

>> To have language access issues where you use an interpreter and how well does that you work -- that work?

>> I am not used to interpreter so I cannot speak to that but the sound quality would be important that we could hear each other accurately and concisely.

>> Mr. Navarro we have a council member joining by phone, Ms. Hill, and she has a question.

>> Thank you. I was wondering if the location of the participants is the only criteria for the availability of videoconferencing or are other fact there is such as physical disability being considered or might they be going forward?

>> That's a great question because I talked about our primary criteria of what we implemented the project with. I must say there have been instances where we have again to provide service we have had people call in with transportation issues the morning of their mediation and say I have to cancel I cannot make it, we can still serve you. Here's an option and we send a video link and we have had some of those issues arise. Childcare issues I have to cancel because I can't find a babysitter and we send a link. If not we do a telephonic. People with mobility issues definitely we would be open to accommodating that type of a request. At this point like I said we started with that specific criteria but even in our own court with our executive leadership we talked about what does the future look like in terms of expanding use to others as well so that is something on our radar for future consideration. Michelle, I will log you out so we can finish we have a few more slides and we have limited time. Thank you so much. I wanted everyone to see the video quality of what our users get in the sound quality and I think this demo was a nice representation. Michelle thank you again have a wonderful day.

>> Goodbye everyone.

>> We had another question.

>> Thank you Chief. I was noticing the statistics on the people who have offered to make use of the program and it's a great idea and you're doing wonderful things with it but I think the numbers were 221 who said they would use the system but it came down to about 152 who actually did. It would be impractical at least to figure out why 30 percent of these people changed their mind but is there any sense it's because of a concern about the use of the tech knowledge he or the reliability of the technology?

>> We were tasked with measuring the outcome of the grant and that was not one of the measurable outcomes but I have solicited feedback from our clerical staff to get a sense of why are people declining the option. There is been a variety of reasons. Some are very skeptical about the security of it, some are skeptical of the technology, some have no access to technology. There are a host of reasons why people decline but I have not gotten an overwhelming sense that it was that they just did not like the option. Some preferred not to be seen. There is a different level of intrusiveness that comes with appearing by videoconference that you can see where people are and some people would rather not have that. There is been a lot of different reasons when it has been disclosed because we don't ask but sometimes people disclose but we are interested in finding that out.

>> I would agree because as the program goes forward the more can be determined why more people are not using it and obviously it would make the program more valuable than it is at its outset here.

>> I think the feedback we have gotten in terms of resources we found that only 7 percent of our users have said I don't have the resource so with the rise of the use of the smartphone today a lot of people 93 percent of who we surveyed have the resource so that is a challenge that we don't see impeding. Also it's a new approach to providing service so that is the other thing. The more the word gets out there in the court rooms having the option there will be more use as we move forward.

>> Do you find that attorneys that represent these folks are they in support of the use of the video?

>> We have asked feedback from our judicial officers about that and again the overwhelming majority is yes this is viewed positively, it's viewed as an enhanced service so when they cannot be present it is a much more enhanced service rather than participating by phone. We have not had complaints or resistance to an attorney saying I don't want my client participating by videoconference.

>> Are people concerned that it's taped and archived?

>> We have not had that question but the technology provides that feature but we do not use it in our county again to protect the confidentiality. No one has asked or inquired about that.

>> We wondered about that also because it gives the participant an option to record but there is also a red light that comes on and alerts you so no one could do it secretly. They could videotape you perhaps over your shoulder.

>> So many mediations come out where one of the other parties is disappointed with the result of the recommendation and then come the complaints about the process or the mediator and this is just not central to California, its national for this concern and that's why wondered if people taper ask if it is taped and those kinds of concerns.

>> It is not been an overwhelming question.

>> Before they participate in the conferencing did they sign anything that they agreed to keep this confidential and not to be used in proceedings?

>> They don't sign anything but our questionnaires and paperwork talk about the confidentiality so there is notice about it being confidential in the orientation we provide we talk about it being confidential.

>> Don't you think that is a safeguard to make sure even though -- they cannot use this on mediation in any form whether recorded or anything else?

>> That might be a good safeguard and that's a great suggestion that we can take back to her county to consider.

>> We explored that because we didn't have that with her telephonic appearances so we took the same approach the only difference of it being visual as opposed to audio so we did seek counsel about that.

>> The only concern I have is nowadays people can record anything and they can say we know it's confidential because it's disclose to us but there is nowhere in the form that says we cannot use this for proceedings and that is a concern I have when it comes to any video when it comes to a video in family mediation, and regular mediation, I'm really worried about the fact that people can abuse that recording and as a chief says anyone can record these days.

>> Very true.

>> I have [Indiscernible] I also was wondering if you see anything with any quality issues with the quality of the users equipment buffering or anything like that that suffered at all?

>> It depends on the quality of the Internet connection so some of the feedback where there have been challenges have been about initially there was a sound quality issue and will show you the tech knowledge he we purchased with the grant money in the next few slides as we wrap up. Initially there was an issue with sound quality so we made some adjustments to use a phone audio rather than the microphone audio on the webcams. The very first day of implementation I was on the phone with a gentleman from Georgia and said we got this great new innovation

process we want to offer it to you and you can participate by video today and he said that sounds wonderful, I would love to do it but I am literally in the backwoods of Georgia right now and there is no Internet connection. Now I know it's available the next time I'll go to the city where there is better connectivity and I would love to participate by webcam so those are some issues that could service depending on the nature and quality of the Wi-Fi connection.

>> These last few slides are about our process and what we spent the money on for the grant. Will talk about these items.

>> One of the things that we had to do was provide instructions for participants so when it's confirmed that they will participate by videoconference we issue the flyer that gives them information about how to prepare for appearing by videoconference. It entails downloading map which is free onto their phone before the session, making sure their device is fully charged, having the device charger available, using headphones provide the best audio because you speak into a microphone versus the distance of the phone and having a quiet place to participate. We had several of the flyers printed very minimal cost and overall this process is very minimal for what we needed to do to get it up and running because we had things in effect such as having a desk top and telephones in these types of things. When it came to purchasing we had to spend the money mostly on the licensing we had to have so many licenses for BlueJeans [Indiscernible] we had to purchase high definition webcams as you see here and I believe we got these for \$30 each at very minimal cost. We ordered enough for each computer they plug-and-play it does not require a lot of IT support to have this work properly you can see it there on top of our computers. We also upgraded our Polycom system in our conference room because we often times have larger parties participate for guardianship cases there may be multiple parties so this gives an option to utilize our conference room area to conduct video cams as well. So we have that system and that is where a lot of our cost in addition to the licenses went to.

>> For sustainability it is easy to sustain we just have to renew our license for BlueJeans and we have the equipment already and it is not the type of technology that is outdated, it's high quality and that's all we need. Like Joe said we use our telephones for the audio because it provides better audio so will always have that. I think overall it's a very sustainable program.

>> This is our survey.

>> I just wanted to emphasize the ongoing cost for licensees for the BlueJeans. Are CEOs offered support maintaining this beyond the three year grant period so we are very fortunate to have that support and we fortunate to have that support and we are licking for ways we can expand use as well for example potentially expanding it to juvenile dependency mediations. Right now where in the family law area only but in our County juvenile court, there is one central location where everyone comes to this one centralized placed where it might help social workers not having to commute and parties not having to commute for the proceedings. I wanted to make the point for the ongoing cost beyond the grant period.

>> This is our survey as having a way to measure how successful our ground monies are being utilized and how it's being received by the public. We have a five question survey that goes out to the parties as well as to our counselors so the surveys attached to the meeting invite email that we send the parties reminding them to complete our surveys so we receive them electronically so that was no cost to us for the grant so we collect these electronically. We print them out for the person participating in person so we get their feedback and we have our counselors fill out the survey. It asked questions about the ease-of-use, was it convenient, how satisfied are they with the process, what they use it again in the future? We are collecting this information and as Joe said we have had a lot of positive feedback about how people receive this.

>> There you have it. I know we had some questions earlier, are there any other questions?

>> Okay so I have no questions but I have feedback in a comment. I really would like to talk for a long time but I will not. I will bullet point. These innovation grants were huge as an opportunity for courts like you to incubate an idea and you have done it. It is good to see both of you again. My roots are in your court as you know. To see what you have done is so rewarding. It started off small and you have got great feedback and great success and great commitment from your court leadership and you are already thinking and ways of growing what you are doing but also growing the idea. In a county where people drive for hours to get to a court it's critical to continuing access and process to get these issues appropriately and timely resolved. So I applaud you and complement you. I also on a statewide level want to say how rewarding it is that you tied your presentation into the Judicial Council strategic plan that was adopted last time we were together but also your court strategic plan and I think chief that speaks to your leadership, your design of what you want to elegy to do that this branch. It's so deeply affected and ingrained in what the trial courts are doing directly with the people they serve. Lastly I will say thank you to Nancy Eberhardt for your leadership and commitment to continuing these types of programs to the bench. Finally job well done, thank you very much.

>> I wanted to thank the Judicial Council Judge Rubin and Judge Brodie for their sponsorship and allowing Mr. Navarro to come here and give a presentation. We are proud of the innovations. We have been the court that can do even when we were less funded than we are now we found ways to make technology work and work within our means. They are great representatives of thinking outside of the box with technology and making it work for our diverse population. Thank you very much.

>> I concur in Nancy and Marsha's comments. You are also my court in the sense that 32 years ago I was assigned to family law and I could not have survived without Family Court Services and to see what you are now bringing to that process which is such an important process for all of our judges is remarkable. You are not talking about some space-age technology, you are talking about something that cost \$30, why can't we all be doing this now? I congratulate you on bringing it to our attention and I hope people statewide are watching this because they can do it tomorrow. Thank you, we really appreciate all of the remarkable work you are doing.

>> Thank you.

>> I want to say one thing and that is I concur on the comments as well. I also want to thank you for your idea for spearheading this and for growing it and for incubating it. Also it cannot be done without supportive leadership and I remember even eight years ago when we made innovative moves during a time that made San Bernardino more efficient but it created an up or . I also want to thank the Judicial Council members because this is an example of what happens when we were on the same direction and that is the innovative grant program which was millions of dollars we requested and pursued that this branch primarily all of us and most of the courts actually supported to get one time Monday that was able to go to the Department of Finance and say just trust us and give us some money and will show you what we do with it. Thank you for bringing the inspiring examples of how the branch has responsibly stored this money for access to justice and it starts at the courts with folks like you who know what they're doing and know what the people need. In that regard thank you very much.

>> You're welcome. On the comment about other counties potentially working towards implementing, we are scheduled to present at a statewide conference coming up in April for Family Court Services department throughout the state and we will talk about the innovation grant there to share more in its revocable -- other counties could do it today with a small investment so we will continue to get the word out and share the work we are doing. Thank you for the feedback.

>> [Applause]

>> Our next item is 19-018 it's an action item. It's our Language Access Plan. the Language Access Subcommittee and we will come a colleague of mine who is chair of our Judicial Council access plan implementation task force and Douglas Denton of access services. Welcome were happy to have you here.

>> Thank you Chief Justice, council, it's an honor to be here again thank you for making time. It's been about four years since we started the process and I'm grateful for the chance to work with you. If I were in your shoes I would want to know what happened in the last four years so I'll talk about that. Joining me is Doug Denton who is a terrific member of our team but also knows more about language access than anyone else in the courts. We are here to talk about what we have done to implement the Language Access Plan this council approved in early 2015. The bottom line is because of strong support from judges, CEOs and staff and interpreters legislatures in this Council and its Chief we have been able to make tremendous progress over the past four years on language access including particularly in expanding the provision of interpreters and civil proceedings, collecting data that allows us to plan and predict as much as possible what will happen in the future, updating our roles and using solutions to try to improve access that a lower cost. In some ways the progress makes it all the more important for the task force for the phase of language access work involves a task force to wrap up as scheduled in March 2019 so we can transition to a long-term advisory model -- to access for everyone and I'll talk more about that for everyone. The goal of our work in language access for the years this has existed remains straightforward. Equal access for 7 million Californians, this lofty ideas easy to state but it entails major commitments in terms of interpreters budgets, logistics, staff facilities and

outreach. Like many states from Florida to Massachusetts to Washington state, California experiences challenges with language access assistance including court needs, limited funding and an adequate supply of interpreters that speak all the languages we need. It does not take a rocket scientist to reflect on how unique California is our size and geography on the scale of the challenge for us almost 7 million residents. This makes it a very different state. We speak 200 different languages in our courts.

>> To deal with these challenges we have worked in subcommittees and is a task force. The budget and subcommittee has been led by Judge Steve Austin. This committee has been the tip of the spear and the most crucial part of our work is facing the reality that we can get it done without additional resources. The reimbursement fund which is a crucial piece of the puzzle has grown from about \$96 million to close to \$109 million. The 2018 budget included an ongoing additional \$4 million which includes \$2.35 million for signage and technology items the Council previously requested. The governor's budget for 2019 takes us additional \$4 million and converts it to ongoing interpreter funding from 2018 onwards and this is good to appoint but let me be honest. We recognize challenges remain right now. We always expected it would take effort to deliver on our commitments and if anything I have been surprised a little bit on the budget fun -- front. Right now we have to work closely with staff and leadership to make sure the cuts that some people imagine we might have to make, we don't have to make. I believe our court system is committed to continue the expansion we had we have to work together to get the resources we need. The 2019 budget does not appear to have all the funding we requested and we will try to find ways to work together to get the resources we need but we are optimistic if we work together we will find a way forward. We are also going to keep an eye on other budget items we are continuing to try to move forward on like VRI and support for implementation of rural [Indiscernible].

>> I want to show you the progress we have seen. We understood at the beginning that this was going to have to be a statewide effort but at the same time a local effort. As of December 2017 51 of our 58 counties have expanded into all eight priority areas under section 756. To take you back to 2015 at that point only 9 courts had expanded. This achievement shows to my mind the full commitment of courts to expand interpreter services and shows a commitment of interpreters and shows how much staff work together and how we have turned adversities into a limited opportunity but the result of these efforts means that now are task going forward is to sustain this level of progress.

>> To do that we need to monitor data. I know topics and vaulting data can make people's eyes glaze over. At the core of what we do in terms of language access we realize we have to make planning choices, we have been holding monthly meetings with representatives to answer their questions to assist their courts and beginning to gather data and implementing one crucial piece of our strategy which is the complaint process which never existed before so people don't get the services they need they can tell someone about it. Right now language access services conducts an annual online survey to gauge civil expansion and to try to understand how much progress we have made another crucial areas outside the courtroom and to identify needs. The most recent

was in December 18 and that gave us expansion information. Beginning in July 2018 the Council change the metric tracking data from interpretation to cases and this is one piece of a strategy we have to make data gathering easier and more reliable. We are updating the court interpreter data collection system including a new interpreter portal so interpreters can enter data rather than having to rely on pencil and paper. Hopefully will get to a point where we can make more accurate predictions of how uses changing and what sort of budgets we need to try to obtain.

>> Let me talk about the data we have right now and what you can see from it. What you will see is how we hope to use language access data that we are beginning to gather. We can analyze with the right date of the number of interpretations or cases receiving interpretations, the average cost for interpretation, here we have got interpretations based on sampling and estimates as we go forward we are trying to phase out sampling and gathering actual real-time data. The number of interpretations Percival case type is growing. In the next slide you can see some of the data we can gather as we go forward. You are seeing here how the number of interpretations has steadily increased over the past three years. As of December 2017 the overall average estimated interpreter coverage across all civil cases is about 94 percent. Hopefully you can see the reason we have focused so much on data is by carefully tracking usage we can narrow this gap between what we are promised the people of California and what we are trying to achieve.

>> Let me talk for a moment about the work of our translation subcommittee. The agenda for this committee has been basically all over the place thinking about what happens in the core context outside of interpretations and outside of getting the resources we need for that piece of it. This includes a proposed draft of rule 1.300, this concerns access to program services and professionals and is out for public comment and will provide clear guidance to courts on the provision of language assistance and court-ordered programs. This is an example of how we've had to do some compromise. No one gets everything they want language access but by working together I think we can figure out something that is implementable and moves us forward in a substantial way. We have had the subcommittee work hard on creating a language access toolkit digitally based that can be shared, it's a source for courts and soon it will include even more resources for court users they can access directly.

>> I want to talk about how the technology fits into the larger context of what the branch is doing. We have had the able leadership now we are lucky to have David Yamasaki providing leadership in this committee. The primary focus has been on video remote interpreting for spoken language interpretations. We always understood there was no way just as we needed additional resources we could not solve this without having a way of taking into account the fact that California is huge and if you are in a county and you need an interpreter you may not have one that you can [Indiscernible]. This pilot project launched and completed in 2018 and we are working on finalizing findings and recommendations so we will present here in March 2019. We have been working on parallel projects in some ways is simpler but gives a sense of how we try to be creative in using tech knowledge he that involves what happens when people show up at the counter and they want help in understanding the forms or where to go so this involves

partnership with the Stanford design school to do some preliminary research on how handheld tablets can help court users with digital translation and self-help settings.

>> Is still an emerging area that we think the technology understood and applied the right way so not in the courtroom where it's much more complicated but that is still exciting potential if used properly. We are expecting results from all the efforts with the Superior Court soon and we have thought hard about how we can make this tech knowledge and ideas available to other courts. Let me try to pull it together and give you the big picture.

>> The report had 75 recommendations as of right now we have completed work on 39 of those, we have an additional 25 recommendations currently in progress, we understood these recommendations require work beyond the life of the task force. The remaining recommendations are not alone in terms of the one that require additional work. We want to make sure folks understand the 39 we have completed require an ongoing effort on the budget front. Just to give you a quick flavor of some of the things we are happiest about this language access toolkit we hear about all the time that people are using at the designation of representatives of courts across the state, notice for multiple languages so they know the rights they have and crucially since interpreters are the bedrock of what we do in language access recruiting interpreters into the branch including trainings to help people who come close to passing the exam to take it again and hopefully palace, more focused approach on metrics, using information from surveys for languages and each recommendation for court users. I want to note one thing we realized as we consulted with the public is not only should we keep a focus on what happens in the courtroom and courthouse but outreach to people in the larger public is crucial so we have tried to do design videos to help court users understand their rights and language they can understand.

>> Let me talk about what comes next. On December 17, 2018 we voted to recommend a new standing Language Access Subcommittee be created under the Advisory Committee on Providing Access and Fairness. We reached that conclusion that we should make this recommendation after a great deal of consultation and careful thinking. We hope you support this to. With think it's a good fit because of the work undertaken to provide access to justice. This gets to be pretty technical and could benefit from a continued degree of focus. The subcommittee would also focus not only on sustaining the progress we made on those recommendations that have been implemented but on all the stuff that remains to be finished including data collection monitoring etc. In closing let me observe that when I first spoke to you about language access four years ago I started by saying hello in four or five different languages, I had to practice that a lot. I think we all speak the same language at some level we speak the language of access to justice and that's why we are here and why you support counsel. I have to tell you I've been moved if I have had the chance to travel across the state I've been to more counties and I have counted, I have talked to many people and it's clear to me the court challenge has always been reconciling a very lofty idea with the practicalities that it takes to run a branch effectively which is not easy. The things off screen in our committee that we hear about involve facilities, they involve physical space, they involve budgets for all the thing courts have to do that don't have

things to do with language access, they involve the difficulty of recruiting and keeping great staff. I am hopeful that we have said over the last four years what will be a pattern and foundation which is we cannot make progress without thinking about all the other fact there's. My hope is if we keep those in mind we will be able to show California that the branch's commitment to language access is unshakable. With that let me take your questions.

>> I have a comment and observation. I want to say you have done a tremendous job shepherding and stewarding this particular initiative of the Judicial Council. Back in 2013 when the state was faced with critical concerns about language access as was a country the Judicial Council embraced a study and as you referenced that it included 75 recommendations all desperately needed and important to access which was equal access about language. When you were appointed to the Supreme Court with your knowledge and your skill in your energy you are put in charge of implementation of the 75 recommendations. Over the last four years you have made and brought the committee together and the committee is reached out and made extraordinary strides in access and also in my view made it part of the DNA of equal access to justice with your work and ideas in your ability to say not everyone gets what they want but you have made people be heard and be respected and striking a balance that going forward language access is part of what California thinks about in our initiatives. This is how projects start, they happily and today with a major flourish but they start with counsel having a problem and thinking about the best way counsel embracing this is part of equal access and then leadership in the branch and taking the concepts forward and bringing them to fruition the people who come into a court and see a language they understand and feel they are heard and feel they are validated and recognized and not ever know all of us participated in this and that it was a project in eight years and finding a place for it to land I think ensures that it will always be at the forefront of when we think about accessing California. Those are my comments and I know with the recommendations you make and I fully agree with it.

>> Thank you that means a lot to us and I want to note it was a little scary at first [laughter] two people laid a great foundation and galvanize the support were [Indiscernible] who laid the foundation for this with better regional report. They have remained involved and whispered in my ear when I made a mistake which I was grateful for.

>> As chair of Executive and Planning I want to thank you for your leadership in the area and the opportunity I've had to work with you over the last four years and the friendship we have developed in the honor of moving these recommendations.

>> Thank you Justice Miller. The recommendation has been moved. Is there a second? I'm not seeing any further hands raised. All in favor?

>> I had a question this is terrific and extraordinary work. I recognized it is focused on parties and people who need to use the system. Has there been any looking at the concept of jurors who have a language access issue and how somehow the court can incorporate that composite of our population into participating insurers in cases?

>> We have thought a bit about this although there is an underlying complexity which is there are people within the scope of folks who can communicate in English but may be subject to challenges or language. We steered clear of those issues because those belong to the courts and the judicial capacity but there are many people who are potential jurors and have a responsibility to serve but they communicate more easily in other languages. They have enough English to serve in a jury. It has been part of our strategy to think of how we can go beyond simply meeting the needs of court users who need to come to court because I have a dispute and designing videos and outreach opportunities where we talk to people in languages they can understand. A new frontier to follow up on that would be thinking about how we can integrate into our civic education efforts language access component that tries to prepare people in languages they can understand more easily to serve and support the courts.

>> I want to concur in the comments by the chief and Justice Miller and thank you for your remarkable work in this area. I have one question about whether or not you can give us a sneak preview of what the San Diego State University foundation might report to us in March about the video remote interpreting projects? My question is where they generally a success? What is happened of those projects in the three counties of Merced, Sacramento and Ventura?

>> I will choose my words carefully. It was really an opportunity for growth and learning to do this and before I get to what I can preview I will note there was a lot of effort to use the workstream process to leverage knowledge of people who were pretty knowledgeable about the on the ground conditions. Interpreters but also court staff and bench officers who could get into the nitty-gritty of the details. We knew one of the reasons why we would not just use an off-the-shelf product where literally someone smart phone is because there are glitches that does not interfere with the conversation with my daughter but it creates issues in the court so we put a lot of time into figuring out how to develop an infrastructure that would not have those glitches and I think the payoff of doing that work has been that while no pilot project is perfect and we don't expect them to be we have good reason to feel there is something here the court can benefit from and perhaps gallop. Beyond that I will say we were always conscious that we needed to work closely with the three trial courts who were willing to step up to the plate Sacramento Merced and Ventura but we also did not want to design the project so specifically for them that we had the perfect thing for those records but it can scale up. What's happening now is a dialogue where we can think about the next phase in a way that will benefit them so they continue to use a version of this but it will be something we can scale and work for other courts as well.

>> I wanted to thank you for your outreach efforts I recall when you came to San Bernardino and I can tell you at the trial court level there can sometimes be a sense of frustration and not hopelessness but sort of feeling like well this is just the problem and we have to live with it make do. By coming to our court and I'm sure this was an experience you had throughout the state I hope so at least there was a sense that this matters and this is going to really result in solutions that will help our court and help us get our work done and get over those frustrations because it is hard when you have language issues and you see the process and front of you and you know is

a judge this is not what it should be but I don't have the tools to fix it. So to have your work in the ongoing work and have those tools now available is fantastic so thank you.

>> I'm happy to go back to San Bernardino .

>> You're welcome anytime.

>> I don't see any additional hands raised. There is a second to adopt the recommendation. All in favor? Any abstentions, any nos? The recommendation carries.

>> Thank you very much.

>> We will prepare for our last presentation this morning on our calendar. That is the Department of Finance presentation. This is no action item there are no materials. We welcome [Indiscernible] before you start I want to say some things about your background. I think your presentation is a critical education for us so I think you for taking your time I know you are in great demand elsewhere. This is for us critical because as a responsible governing authority we need to be as proactive as we can. Your report will help us along that way. We know having experienced and lived in California but experience the great recession resiliency is important and this is the body that has to lead under those trying circumstances. I know you are helping us also by presenting at our presiding judge CEO conference later this month and that is especially important because on the ground at the levels of the court, those are the responsible parties for their resiliency during a recession. I thank Judge Gary Nadler for that Mike Roddy for helping to prepare the presentations about best practices. I note that I wanted to say a little bit about your background because you are so unassuming and that is you have many responsibilities but I want to call out your role where you direct the Department of Finance's periodic revenue and population projections, you review the economic impact analysis of California's major regulations, and you provide advice on economic policy issues. Prior to coming to California you were a senior economist with the International Monetary Fund, you covered global macroeconomic and financial imbalances, the international monetary system, you forecast and gave policy advice on countries including Afghanistan and the United Kingdom, you served as a staff economist on the President's Council of Economic Advisors, you received your bachelor's degree in economics and math, your PhD economics, I know your mother the former mayor so please give us a warm welcome.

>> [Applause]

>> Thank you. It's a pleasure to be here. One of my New Year's resolutions has been to visit every single county in California and usually the way I prove I've been to each county has to take a picture in front of some official building which usually ends up being the courthouse. Part of this is to talk to people in various counties so I hope to visit some of your county sometime soon. I want to point out that in doing a forecast it is very much an art as well as a science. We look at data and indicators but a lot of it is putting together a narrative about what is happening on the ground and what people are dealing with. If something I say during this presentation

resonates with you where you start thinking I've been seeing a lot of this that's important information for me and my team to understand what might be bubbling up under the surface and what may be the challenges going forward.

>> We have been talking about this chart for the last five years and it has gotten to the point when I introduce myself to someone new and say I'm an economist people say did you know that will have a recession soon? Did you know the longest recession was 10 years and we are coming up to that? That's because we have been repeating this chart for a long time. You can see the longest one was 10 years, when we get to July 2019 we will match that longest expansion. I want to remind you only the U.S. has expansions in recessions in California gets dragged along. We don't have independent recessions. If it happens to U.S. it happens to California. So that is a warning sign for us. We are monitoring the situation very closely. Who knows when it will happen.

>> This is the first of what I call my freak-out charts. This is the U.S. and California unemployment rates so California tends to be higher and that's the blue line. The red line is the U.S. and then the shaded areas this goes all the way back to 1990. The shaded areas are recession so you can see the unemployment rate comes down and goes up during recessions and comes back down. This last recession was really bad. When we do our recession scenario to get a sense of what might happen in the next recession we do not assume it will be as bad as the last one but we reached 12.3 unemployment in California, that's a lot of people unemployed looking for work and not doing very well. We are now at 4.1 unemployment lower than we have ever been in the state history. That is concerning to us because we are still not seeing very good wage growth are seeing people doing better and it's taken a very long time to get to what we consider to be full employment. We think part of this is there is a structural shaft and how people are employed, it could be a lot more people say yes -- the official definition is did you work for pay for at least one hour in the past week? If you respond yes to that your considered employed. You don't have to have a good job it could be you drive for Uber or Lyft or you do lawn mowing.

>> We have our forecast in this chart you can see that contrary to all of history we assume that we stay at this very low unemployment level for the next five years. That is almost certainly not going to happen but that is sort of what we typically forecast. We do not forecast recessions, we construct our forecast by assuming growth will continue and say if it does continue under what conditions will it continue?

>> Residential construction, I don't know how many of you worry about the housing situation here but this to us is the other huge warning light flashing bright red. You can see in the buildup to the last housing bubble there were a lot of housing constructed a lot of them were single-family homes you probably got a lot of things in your courts with bankrupt see but we have slowly increased the number of houses being built. That's not close to the level we need to keep up with population growth. We have 10 years of backlog of not keeping up with population growth. This means a vast majority of people in California are more squeezed in terms of their budgets, it's difficult commie housing is people's largest expense. Affordable housing is defined as no more than 30 percent of your income for housing. One out of five California households

pays at least 50 percent of their income in housing cost. That means if you have kids if both of you are working you are paying 50 percent of your income. If one of you lose your job it's over you could become homeless tomorrow. That to me is really frightening and it's partially as a result of us not building enough housing for a very long time. This past expansion has been very unique in that many of the jobs that have been added have been in urban areas. It's more difficult politically to add housing and urban areas you need shorter commutes to help us bring down missions in California but they are not being built and people are more relevant don't to commute for those longer distances because that's an expense so what we have is the imbalance building up that we worry a lot about.

>> This is another way of saying we don't have enough housing. This is a complicated chart. The blue line is residential housing that's our stock of residential housing in California. The red line is we want to get a sense of if you had constant sized household so households have gotten larger because more people have to have roommates to afford housing or they may move in with their parents or their parents move in with them so we want to constant size adult size for household. This is the number of adults in California so 25 and older divided by 1.75 that's a redline. You can see that over time the number of housing stock stays at that household. During the boom it kept up so what I considered to be overbuilding that actually was just keeping up with the population growth and now there are more of those adult households that there is housing. You can see the stock is basically plateauing. Again that is a huge source of constraint for California households.

>> That is my new favorite chart to show the imbalance. You can also see some of the strain in terms of how long people have to spend on the road to get to their jobs. This looks at travel time to work, it's different buckets. You can see there is a larger share of people below zero and those are the people who telecommute. They do not have a commute. That has doubled. The people who live within 10 minutes of work that is basically staying the same. We have a growing population so you would assume today in 2017 you would have more people so most of it should be higher. You can see many more people have to commute for longer. Again that is a result of the housing shortage. This also probably is going to impact I think some of the access to justice in the sense that if you have to come back repeatedly and we see this in healthcare as well, if you have to come back repeatedly for services and you live further away and you are working two jobs and you don't have access to a car, access to healthcare, to justice, to paying your taxes all of that becomes more complicated if you have these long commutes and if you do not live close to where you need access to services.

>> Let's move a little bit more into the population stop. This was our population in 1970. You can see on the red side, that is smells in the blue side is females and it goes by age. This is a population pyramid and you see more people at the younger ages than upper ages so it looks like a pyramid. You can see that bulge at the bottom that is the baby boomers. This is 2017, it is now more of a cylinder. You still see some echo boom that is a little bulge at the bottom but it really is more of a cylinder. As time is going on people have had less kids and they are able to live longer which is great thing but we are now moving into an era where you have a lot of seniors

and some of the seniors are doing very well they were able to buy houses, they have retirement savings, some are much more vulnerable and I don't know if you have started seeing more court cases where there are seniors who need guardianship or there are disputes over inheritances but there is going to be a much larger share of the population that is over 65. One statistic is it is going to increase around 10 percent of the population for over 65 so by 2030 that will be about 22 percent of the population over 65 so one out of five.

>> Different counties have different experiences. This is San Francisco County, notice not a lot of people have kids so it's more of a Christmas tree than a pyramid and people in San Francisco have children but they tend to move out because it's too expensive and childcare is expensive here as well. Here where I live you have all of those college students so you see a lot of people in that age range.

>> This is Lassen and that's a prison population. So the kinds of people you will see is really going to depend on the population.

>> Here is another illustration of what is been happening, the green at the 16 to 24-year-olds and it goes by who is employed or unemployed and who is not in the labor force. The 25 through 55 and then the top pink ones those are the 55 and above. These are people who are either working or looking for a job that's the dark or just not in the labor force at all. There is also [Indiscernible] the thing I want you to take away is the working age population is basically flat. All of our population increase is basically coming from those top levels. The other thing to notice is of the 16 through 24-year-olds only about half of them far fewer of them work now so it used to be they had a labor force participation rate above 50 percent now it is below 50 percent so people are staying in school longer are living at home longer but basically people do not really launch until much later at this point. You can see that the statistics. You can also see that dark blue in the metal those were the unemployed people in the prime working ages from 25 through 54. After the recession ended there was still a huge stock of people unemployed. It took a long time for some of them to find work. You can also see that fewer of them now work because they are discouraged and they have dropped out of the labor force. Some of that could be they are caring for kids or their parents but a lot of it is skills mismatch and they will probably never come back. Part of that also could've been they are working in the informal sector are actually -- were not sure how the cannabis legalization will appear in the statistics so we hope we have been understanding the number of people working but it does seem to be a problem where prime working age people particularly white men are having a hard time finding jobs. That can be a vile total combination.

>> Here's a population pyramid that looks at educational attainment. Under 24 we didn't say if you were working wanted to see if you were in school. The light blue indicates if you are in school and it looks at whether you are pursuing higher level education are not. The one really striking thing here is that if you look at the top levels we put everyone together 75 and above, more men than women had higher level education more than a high school diploma and now if you look at the bottom of the pyramid there are more women with bachelor degrees and higher than men. So you can see how that will change things over time.

>> This is about migration. California has really benefited from migration. I say that as a self-interested person since my mother is from the Philippines. In California because it's so expensive one thing we see is that people who make less money and have less education move out of California those are the blue ones. You can see people who have only some college move out of California. People with higher levels of education move into California. It's one of the risks we talk about the forecast that it could be that with the state and local tax deduction limit of \$10,000 it could be the rich people we depend on for revenue might move out of California. We're hoping that's not the case, we assume it's not the case but it's one thing we monitor. From here we see there seems to be some selection. More educated people move into California. If you are less able to compete you tend to leave.

>> This is one of the charts the governor talked about in his press conference. This is how much money we would lose over three years if we had a recession starting in July. The number that everyone is focused on is \$70 billion over three years. That's a lot of money. Our general fund is about \$145 billion so over three years that's a significant chunk of our budget. We have a rainy day fund that is nowhere close to the scale we would need to smooth everything. The educational funding would also go down automatically so that means less cuts have to be filled elsewhere but it also means schools are in a big hole. So this is not even as bad as it could be but that is a typical sized recession.

>> This looks at how different our sources of revenue are over time. This goes back to 1950. In 1950 most of the state's revenue came from sales tax. What we spend our money on now is very different than what we spent it on in 1950. Over this time span this involved a huge shift away from property taxes in the state had to raise revenue so they did it through the personal income tax which is a red in the metal. We are hugely dependent on income tax for counties as well so that is about two thirds of our general fund. Just about half of personal income taxes are paid by the top one percent of taxpayers which means about a third of the general fund comes from the top one percent and that's why were so worried about the rich people leaving. If they decide en masse that the taxes are too high in California then we might lose a significant portion of our revenues.

>> This is the other illustration. This is taxable sales as a percent of personal income. It goes back a long ways. It used to be around 50 percent now people spend more on healthcare, rent which is not taxable, on services. It used to be that you bought a book and you paid sales tax but now you have Kindle so you don't pay sales tax on any of this. That is the way the world is moving, I know a lot of people have talked about redoing this at some point. That is certainly something we remain interested in.

>> This gives you a scale of how much general fund revenue we have which is personal income tax corporate tax and sales tax so we are talking about \$150 billion.

>> This is my other freak-out chart. This goes to the end of 2018. It is been up and down since then but this is the S&P 500 index. It goes back through 1995. It goes up and comes down during recessions and goes down before recessions, it was way up and now it has started going down

and to me every time I look at this I think it looks like we cut it off before the next recession [laughter] which is why it's my second freak out chart. California I work internationally in California has done an amazing job of cyclical policy. When times were good they did not expand ongoing expenditures, we built up reserves to the extent we can which should help cushion things in the next one. The federal government chose to do the opposite. This is a huge vulnerability. They cut revenues at the time when they should've paid down debt, they gave it to the people who probably have done the best out of this last expansion. One of the things we talk about in this budget is that right now in real terms so adjusted for inflation median household income is about \$72,000 in 2017 with the latest data. Over 10 years it basically did not move in yet our economy is so much bigger we have so much more in terms of revenue because the wealthy people of done very well. We now have more inequality than we used to we are more dependent on the top taxpayers and we used to be. A lot of people who lost their homes never recovered a lot of the people who were still working during the last recession and could work longer to restock their 401(k)s they are now retirement age and it's difficult to find a job once you are over 55 and you have been involuntarily laid off. There are no vulnerabilities that are bigger than in the last recession so I'm not saying the next one will be worst I'm just worried there are factors that would not allow us to cushion as well as we did the last one because during the last when the federal government did a huge amount of stimulus. They sent more on infrastructure and had the space to do it. The Federal Reserve also had interest rates higher than they were now so at the beginning of the last recession interest rates were around five percent and so they were able to cut down to zero and were able to undertake other operations to stimulate the economy. Now were not even to three percent so there's less room to cut. A lot more people are vulnerable you might see this in your courts. Does anyone have any questions you faced depressing things in your court rooms all the time this can't be that bad rate.

>> [Captioners Transitioning]

>> A lot of the borrowing that a state did from various accounts, all of that is now scheduled to be paid off. We also have a much larger Rainy Day reserve and there is probably going to be some cuts needed but not to the same extent as the last time.

>> More importantly where do we get the room to move is a people? As opposed to a state ?

>> That is a harder one. You know, I do have some friends who have done extra really well for themselves and every time I talk to them it does you no good to have another hundred thousand dollars that is Romany for someone trying to with her kids and trying to move to a better school district and then another thing, locals really have been able to be a little selfish about things and they have been able to say, we want to keep the character of our neighborhood and we do not want people moving on but more people are moving in so, you cannot stop the forces and you should accommodate them. By not building more housing, you are in fact imposing costs on your neighbors. If you are a homeowner, it is all to the good. You own an asset appreciating and you do not face any downside from that because your property taxes or maybe they are sort of capped and, by the way, it is not really [Indiscernible] but anytime you start talking about a problem in California I can trace it back to Prop. 13. So, anyway, I am sure we will continue talk

about this and I am sure people will say we cannot touch Prop. 13, but there are some things you just cannot fix without fundamentally changing that social contract.

>> Justice Hull. Thank you for the presentation and it is enormously interesting and difficult in some ways to grasp because this is what we do but on the other hand there is a lot of common sense to the observations and I am wondering, how do unfunded obligations work into all of this forecasting ?

>> But is a great question. Unfunded obligations have to be paid at some point. You will have fewer people, if you have a pay-as-you-go system, there are fewer workers per retiree. California and the U.S. is not in a bad a situation as example Germany, which is basically a one to one ratio they have one retiree per worker. That is also very difficult. In Japan, they have more than one retiree per worker because their birthrate is declining in the population is declining over time. One, it will be have to paid for somehow and, two, you should probably think about a different kind of method of pre-funding things for the future and this is an editorial because I do not think I'm clear to say this but the California role is also an issue and one of the countries I worked on, actually, they had the largest recorded recession in modern times and their GDP shrank in one year so I'm edging 20 percent, they cut pensions, they cut pensions of existing retirees, which is really difficult, they cut their civil service salaries, they cut everything because that is what they had to do. I really hope California does not come to that situation and I do not think we will and we are not any shape or form that close to it but there will have to be some [Indiscernible] and that is kind of your map.

>> Thank you and it was really interesting and a wonderful presentation and somewhat scary. Of the displays that we saw, is there one you think tends to be more sensitive and accurate in predicting an upcoming recession we saw how housing starts and we saw population with anything like that that you would look at ?

>> It is this one. Usually what happens when you get to this low unemployment rate, if firms want to continue expanding, they have to start paying people more to attract people to move to their firm and that is when inflation starts to rise and that is when wages also start to rise and we are not seeing too much of it in terms of inflation or in terms of wage increases and possibly because, the mechanism by which things happen is much less labor-intensive now. It could be the case that unemployment could remain low and the wage rates also remain relatively low and we continue having this kind of expansion but, in an expansion and in an economy everything has to work in tandem and when you get to the slow and implement rate there is less room for things to continue working like that. Once inflation goes up that is when I start worrying.

>> Martin and then Judge Gordon.

>> I usually do not comment or ask questions but this is colleague to colleague and first of all thank you for coming back and for some folks who may have been here before we remember she was here a few years ago, it is great to see it built out and you have accomplished what we had hoped because you flattened and stand mood for folks and we want to elevate this awareness and

your first chart opened with this notion of people have been asking you by the way do you know how long it has been and what the averages are and that must be gratifying for you because they are playing your song back to you when they do that and I know you and your team have been on a mission an effort to elevate the consciousness and awareness of everyone throughout the state in the country in their communities about the economics and the cycles by which this happened so we cannot become better managers and better stewards and operators not just in the work we do but our own homes and own lives and I think that is really a credit to you in your effort that you have been out for quite some time. My question, well, I will not add to it because that is your job and not mine but the question has to do with the poverty rate. How that may interplay and what has happened and I think the last time you were here, we came away with this impression the recovery was happening and underway and things were looking really good but it was still looking like there was folks were being left behind and at the recovery was kind of uneven. Can you talk a little about where you think things might be with respect or with respect to California's poverty rate ?

>> Usually the way we measure poverty rate is a threshold that is the same across entire U.S. According to that, around 15 percent maybe a little less of Californians live in poverty. Once you adjust for the cost of living, and there is an extra mental measure which is not an official measure but it adjust for the cost of living called supplemental poverty level and that is in California clearly is much worse. Again it comes to housing. If we do not have enough housing, a lot of the money that people get is bid into the stock of housing. A couple of years ago, the legislature did say we were going to raise over time the minimum wage up to \$15 an hour for the state. There are some conditions built into that in case there happens to be a recession but for 2023 and the most I will say about recession by the way is, if we do not have to invoke those pause conditions before we get to \$15 an hour by 2023 I will be surprised. That is basically saying I think we will going to recession before then. How do people cope with this? I am not sure.

>> Can I ask you the question, well I'll let you think if it's in a total question and that is, you talk in the beginning about, if the federal government and if the nation goes into a recession we all go into a recession and I wonder how dependent or how deep a recession and California is and I recovery is on what happens nationally ?

>> We tend to do worse during recession. You can see are and implement rates are much higher during recessions than the U.S. rate and part of that is because of the nature of our industries and we do not have the kind of industries where people remain employed for 30 years, although a lot of the industries are disappearing entirely. We do tend to get hit a little harder. We then grow a little faster during the recovery and it mostly balances out. As a share of the total U.S. economy, we are now larger than we were before the last recession and we tend to grow faster over time.

>> Thank you.

>> You talk about housing and housing construction, is there any relevance to present to the people who own their homes versus rent a home, is that anything like an indicator of trends?

>> Homeownership in California is different than the rest of the U.S. Median home is about twice as high as they are in the rest of the U.S. and median home prices, every time I look at the statistic I'm astounded. Median home prices for the entire U.S. for existing single-family home I think is about \$238,000 which is like a down payment and California [laughter] and so it is more than twice as high in California. Fewer people in California tend to own their homes and they also tend to be disproportionately white and a thinker homeownership rate is 52 percent and it had hit 69 percent nationally before the bubble burst.

>> I apologize also, Scott and Judge Gordon I meant to call you earlier.

>> Thank you and this is fascinating and the point you talked about the greater percentage tax paid by smaller percentage of people and the pressure because of tax policies they may leave and I know other states were having similar discussions but are there any policies nationally or stay because I keep hearing that ?

>> That is a great question and it is something we are worried about and in the budget that came out last Thursday we talked about we are going to conform a little bit and probably not going to be nicer but you know, I continue to be surprised what the people want to be in California. What the people tend to move disproportionately to California and I think it is because you can make a lot of money in California and also it is really nice to live in California and if you can afford to I think a lot of people say we want to be in California and we don't want to be in Iowa and nothing against Iowa but it is not California.

>> First Judge Bottke and then Commissioner Whiteman and then Judge Hull.

>> I know California economy is the sixth biggest globally and you keep hearing that and our economy is tied to what goes on in the world. China and Europe, the slowdown is already here and Brexit, how's that going to impact us in your opinion in the next year or two ?

>> This is something we worry about a lot in the international trade situation, even though California is the fifth largest economy in the world, we do not have control over our borders. Nor do I want us to. I am anti-breaking away from the rest of the U.S. It would affect us and the hard part about that, there are a lot of California companies like Apple and other companies that are globally committed or competitive and they may think about, I think I'm going to do well and I'm going to be able to expand to China or expand my sales into Europe and I will hire a bunch of people in California or I will invest in California to serve those customers abroad. Once that starts to unwind it is very difficult to know how the expectations will play out. In terms of recent news and things that trouble me a lot was Apple announced we are downgrading our earnings because China and ourselves to China are not doing well and the other, we did not really talk about this but I mentioned a lot of the jobs are in urban areas. Normally you would expect through economic theory, companies like Google or Apple or these Amazons would look at the prices in Silicon Valley or Seattle or New York and say this at the expense of. We will go somewhere else and we are going to go somewhere cheaper and we can produce so much more in the fact that Amazon chose to go to Northern Virginia and New York and not move into

somewhere cheaper even though they could've gotten so much more, that to me, it means something is broken about the economic mechanisms. If you need all of these really smart people to cram into these small places and places like San Francisco or Seattle they don't want to build more housing, they are going to be able to afford to hire a few more few people at higher salaries and therefore the wealth does not spread and trickle-down never really work that well but this is especially, it is not spreading.

>> This is really fascinating and I am wondering sort of on the futuristic side of research and looking at California investing in the next industrial revolution item and what those trends are what that may be in there is talk of investing and whether it is artificial until it intelligence or something that would ultimately benefit the state.

>> But is a great question and next Tran one could be in terms of biomedical stuff and my uncle has worked for FDA and every time I see him he said let me tell you about the latest CRISP-R stuff so I think it is, I think is going to be a huge game changer and it is very exciting biologic research going on and artificial intelligence is a more difficult one. Artificial intelligence, the way it is conceived of right now, it is very troubling to me. It takes, what people do, it assumes that sort of shows rationality and shows how I natural market would work and fits things through algorithms to what they consider to be natural. As we know, people are recessed. Often times some of the algorithms will unwittingly show up and incorporate some of those biases and there is no ability right now of people, or law, or regulation, to push back against that that, I think is going to be a big fight in coming years. AI to go wonderfully and make us more efficient and lead to lots of new jobs or it could be terrible and ossified our current system for inequality. It could get other way.

>> You referenced the effective slowing growth in China and Europe, how vulnerable is our economy to disruptions by increases in tariffs and things like that?

>> We looked at the numbers from the tariffs themselves and like with the dropped a couple of years ago, we have such a large and diverse economy we actually found it was going to have relatively little impact. However, because a lot of California companies are expecting better growth abroad, and it is difficult to measure how much those expectations will matter, it could affect us and unaffected ways is what we have been saying. The other vulnerability is, the current federal government, how to put this, does not really believe in international institutions or international corporation and a big part of the response of the last several recessions since World War II has been international cooperation so we do not get a smooth type of situation and I do not know the current federal administration either has the expertise to do that sort of thing or the desire to cooperate internationally and that is another vulnerability.

>> Do you have a projection for the tax collection for this year?

>> Yes. This is the big three and personal income tax and sales and use tax and corporation tax there are a couple of other small ones and cannabis is mostly not general fund because it goes to special things and I think the big thing we have been focused on is in 2020 and 2021 that is when

personal income tax will exceed \$100 million. In 18 and 19 we have about 136 from the big three and it gets to about 150 by 2022 or 2023.

>> Ms. Nelson.

>> I am curious as to, what if any, impact you are taking into account for what is occurring with the wildfires we are having which obviously not only impact housing but income and resources for fire and etc.

>> That is a great question. We incorporate the wildfire in terms of how different areas are going to do. Usually is not big enough to affect any of the topline numbers but again as we saw in Paradise, people moved to Paradise because it was cheaper. Because they could afford to retire there. When it came time to evacuate it was difficult. If we do not build housing in urban areas we will see more situations like that. We actually pumped up our, sort of, population replacement housing need assessment to about 200,000 rather than 180,000 because you need to do a certain amount of demolitions and we think we will, this is the new normal. You need to have replacement for that sort of thing.

>> Thank you and I think this is fascinating and I am curious, you mentioned how unemployment is defined and I have been concerned since 2008 I thought the unemployment rate was as stated very misleading so do you agree with that?

>> There are different ways of different or measuring things and this is like talking to people about what it actually means I think is important. If you want an employment over time, it is a good measure. If you want to know how many people are doing well I would marry that with poverty rate and the median household income and also how much people are paying in terms of housing. That is a basket of indicators and I think it can tell you a little bit because they can shift over time.

>> Looking at an employment rate and isolation as sometimes topline politicians tend to do, it is misleading, especially if you're looking at a place where many of us live where wages are low and people are not fully employed and housing is extremely expensive, is the next recession then posing a greater bubble for the people to fall into or underneath the poverty rate ?

>> Yes. I am sorry I missed one indicator we usually talk about in conjunction with and implement rate which is labor force participation rate. If people are discouraged they are not looking and they do not count as being in the labor force and that participation rate is also important.

>> Just one more question going back to my question about pension obligations, as I understood the answer basically we will have to do it on a pay-as-you-go basis given the ratio of retiree to the number of workers and I think you said 1 to 12 is that correct ?

>> Or 12 workers to working forever returning did I misunderstand that ?

>> I am sorry, let me find that. In Germany, it is one to one ratio and California it is still, you have more workers than retirees.

>> Yes I understand and I don't know exactly what the number is but somewhere I heard I thought in your presentation being 12 like 12 to one is that approximate and the reason I'm asking, as I anticipate retirement in the next few years, [laughter] as a Baby Boomer, not anytime soon, but I am wondering how I can identify those 12 workers so I can make sure they are doing well [laughter].

>> I am here for you. [laughter]

>> Mentorship is always a good idea. [laughter]

>> Thank you very much.

>> I think we can keep you here all afternoon and we have thoroughly enjoyed your sharing of extraordinary knowledge and forecast with us. What you think about. We thought we had worries, you have tremendous worldwide and state worries and we are grateful you are able to share with us your extraordinary knowledge and forecasting and it helps us only think about what we tried to be proactive in our little world and our 1.5 percent of the general fund, which I'm not complaining about by the way. We all want to thank you for this presentation. Truly.

>> [Applause]

>> Finally, we conclude today's meeting as we often do with a brief remembrance of our retired judicial colleagues recently deceased. Judge Daniel Kaufmann Superior Court of Los Angeles County, Judge Betty Lamoreaux Superior Court of Orange County, Justice William Newsom Jr. Court of Appeal Fourth Appellate District and Judge Jacqueline Taber Superior Court of Alameda County. We honor them all for their service to the state of California and to the cause of justice and to the people here. We stand in recess until our next meeting. Thank you and safe travels.

>> [Event Concluded]