



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

Item No.: 22-062

For business meeting on January 21, 2022

Title

Allocations and Reimbursements to Trial Courts: SB 170 Funding for Increased Transcript Rates

Agenda Item Type

Action Required

Effective Date

January 21, 2022

Rules, Forms, Standards, or Statutes Affected

None

Date of Report

December 15, 2021

Recommended by

Trial Court Budget Advisory Committee
Hon. Jonathan B. Conklin, Chair
Ms. Rebecca Fleming, Vice-Chair

Contact

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Executive Summary

On September 23, 2021, Governor Gavin Newsom signed Senate Bill 170 into law, which amended the 2021 Budget Act and included \$7 million ongoing General Fund for the Judicial Council to establish a methodology to allocate the funding to all trial courts to cover the costs associated with increased transcript rates under Assembly Bill 177 (Committee on Budget; Stats. 2021, ch. 257). The Trial Court Budget Advisory Committee recommends approving a proportional allocation methodology of the ongoing \$7 million to all trial courts to cover the costs associated with increased transcript rates effective in fiscal year 2021–22.

Recommendation

The Trial Court Budget Advisory Committee recommends that the Judicial Council, effective January 21, 2022:

1. Approve an allocation methodology that allocates the \$7 million appropriation to each trial court proportionally, based on an average of the prior three-year transcript expenditures;

2. Establish fiscal year 2020–21 actual expenditures—adjusted to reflect the September 23, 2021, effective date of the increased transcript rate outlined in Attachment A—as a baseline to determine cost increases, and identify unspent funds for General Fund reversion each fiscal year, as necessary; and
3. Direct staff to update the three-year average for the allocation methodology each year based on the most recent data available for actual expenditures on transcripts.

This recommendation was presented to the Judicial Branch Budget Committee on December 7, 2021 and approved for consideration by the Judicial Council.

Relevant Previous Council Action

There is no previous Judicial Council action relevant to this item.

Analysis/Rationale

The Funding Methodology Subcommittee of the Trial Court Budget Advisory Committee (TCBAC) established the Ad Hoc Court Reporter Funding Subcommittee consisting of members from the TCBAC to develop an allocation methodology recommendation. Through various committee deliberations, the ad hoc group developed an implementation recommendation that helps courts cover increased transcript costs and presented that recommendation to the TCBAC at its meeting on November 30 and the Judicial Branch Budget Committee on December 7, 2021.

Focusing on an equitable approach for allocating funds to all trial courts, consistent with the budget language, the methodology includes:

- Averaging actual transcript expenditures by court for the last three fiscal years (i.e., 2018–19, 2019–20, and 2020–21);¹
- Applying a proportional allocation of the \$7 million appropriation to each court based on the three-year average of transcript expenditures, thereby providing each court with the same 44 percent increase from its historical three-year average expenditure; and
- Allocating funds in one lump sum on approval by the Judicial Council.

Details of this approach are outlined in Attachment B.

The three-year average would be updated each year based on the most recent data available for actual expenditures on court reporter transcripts, which is consistent with other workload methodologies for other funding sources.

Annual true up process

Because this funding is intended solely to cover the costs associated with increased transcript rates, any unspent funds are required to revert to the General Fund (GF) each fiscal year. The actual expenditures for each court from 2020–21 will be used to establish a baseline from which

¹ These and all subsequent year spans represent fiscal years, unless otherwise indicated.

cost increases eligible to be covered by these funds will be determined for each court. Based on the historical baseline amount and the actual expenditures for the current fiscal year, a true up process will occur at the end of each fiscal year to pull back any remaining funds. For this first year of funding, the true up process will account for the September 23, 2021, effective date of the increased transcript rate. Expenditures on or after this date in the current fiscal year will be part of the true up process for 2021–22, and the baseline amount will be adjusted accordingly to reflect a similar time period (i.e., from September 23, 2021, through June 30, 2022, or approximately 77 percent of the fiscal year). This process and adjustments for 2021–22 are outlined in Table 1.

Table 1. Annual Reversion Calculation for 2021–22

Court	Actual Expenditures			3-Year Average	2021–22 Allocation from \$7M	2021–22 Actuals (on/ after Sept 23, 2021)	Adjusted Baseline (77% of 2020–21)	GF Reversion
	2018–19	2019–20	2020–21 (Baseline)					
A	\$110,000	\$85,000	\$100,000	\$98,333	\$43,260	\$110,000	\$77,000	\$10,260

Based on the example in Table 1, Court A would receive an allocation of \$43,260 from the 2021–22 \$7 million court reporter transcript appropriation. In this example, the court’s actual expenditures on or after September 23 for 2021–22 would be \$110,000, which is a \$33,000 increase from the adjusted 2020–21 baseline amount for 2021–22 ($\$110,000 - \$77,000 = \$33,000$). Comparing the \$33,000 increase to the \$43,260 allocation from the 2021–22 appropriation, the court would be required to revert the remaining \$10,260 ($\$43,260 - \$33,000 = \$10,260$) to the General Fund.

Policy implications

No policy implications are associated with this report.

Comments

No public comments were received on this item.

Alternatives considered

The recommended allocation methodology was developed to be consistent with the budget language for SB 170, which outlines requirements on the use of this funding. Alternative approaches to developing the proportional allocation methodology were considered, but the Ad Hoc Court Reporter Funding Subcommittee determined that using a three-year average of transcript expenditures would be most consistent with other allocation methodologies approved by the Judicial Council.

Different options were considered for the annual true up process and the establishment of the baseline from which cost increases would be eligible to be covered by these funds. The Ad Hoc Court Reporter Funding Subcommittee determined that for this first year of funding, the approach most consistent with the budget language would require that the true up process

account for the September 23, 2021, effective date of the increased transcript rate and that the baseline amount of 2020–21 expenditures should be adjusted accordingly.

Fiscal and Operational Impacts

The recommended allocation methodology would provide courts with the funds needed to cover the costs associated with increased transcript rates under AB 177, as intended by the budget language in SB 170.

Attachments and Links

1. Attachment A: *Adjusted Baseline Amount for FY 2021–22 True Up Process*
2. Attachment B: *2021–22 \$7 Million Increased Transcript Rate Funding Allocation Methodology*

Attachment A: Adjusted Baseline Amount for FY 2021-22 True Up Process

Cluster	Court	Adjustment of FY 2020-21 Expenditures to Establish Baseline			
		Proportional Allocation of \$7M	FY 2020-21 Expenditures	Adjustment Factor*	Adjusted Baseline
	Statewide	\$7,000,000	\$12,739,717		
4	Alameda	\$193,951	\$316,575	77%	\$243,587
1	Alpine	\$65	\$139	77%	\$107
1	Amador	\$11,629	\$18,321	77%	\$14,097
2	Butte	\$43,114	\$97,894	77%	\$75,324
1	Calaveras	\$10,777	\$26,846	77%	\$20,657
1	Colusa	\$7,021	\$8,008	77%	\$6,161
3	Contra Costa	\$218,482	\$405,961	77%	\$312,364
1	Del Norte	\$22,543	\$53,391	77%	\$41,081
2	El Dorado	\$34,245	\$49,904	77%	\$38,399
3	Fresno	\$218,439	\$431,683	77%	\$332,156
1	Glenn	\$4,050	\$7,650	77%	\$5,887
2	Humboldt	\$2,109	\$7,435	77%	\$5,721
2	Imperial	\$11,443	\$23,298	77%	\$17,927
1	Inyo	\$4,634	\$10,357	77%	\$7,969
3	Kern	\$340,920	\$709,145	77%	\$545,648
2	Kings	\$140,632	\$275,882	77%	\$212,276
2	Lake	\$16,975	\$32,336	77%	\$24,881
1	Lassen	\$16,301	\$30,822	77%	\$23,716
4	Los Angeles	\$2,041,923	\$3,433,513	77%	\$2,641,897
2	Madera	\$36,421	\$83,123	77%	\$63,958
2	Marin	\$25,634	\$45,711	77%	\$35,172
1	Mariposa	\$1,702	\$4,709	77%	\$3,624
2	Mendocino	\$63,169	\$134,226	77%	\$103,280
2	Merced	\$61,420	\$156,237	77%	\$120,216
1	Modoc	\$8,475	\$7,155	77%	\$5,505
1	Mono	\$1,627	\$2,806	77%	\$2,159
3	Monterey	\$64,760	\$127,556	77%	\$98,148
2	Napa	\$54,905	\$90,806	77%	\$69,870
2	Nevada	\$16,842	\$23,786	77%	\$18,302
4	Orange	\$468,200	\$982,451	77%	\$755,941
2	Placer	\$68,189	\$148,518	77%	\$114,277
1	Plumas	\$2,219	\$2,104	77%	\$1,619
4	Riverside	\$8,289	\$11,186	77%	\$8,607
4	Sacramento	\$332,378	\$623,902	77%	\$480,058
1	San Benito	\$2,409	\$3,766	77%	\$2,898
4	San Bernardino	\$323,461	\$636,886	77%	\$490,049

Cluster	Court	Proportional Allocation of \$7M	Adjustment of FY 2020-21 Expenditures to Establish Baseline		
			FY 2020-21 Expenditures	Adjustment Factor*	Adjusted Baseline
	Statewide	\$7,000,000	\$12,739,717		
4	San Diego	\$428,186	\$501,181	77%	\$385,631
3	San Francisco	\$226,213	\$300,914	77%	\$231,536
3	San Joaquin	\$151,536	\$349,811	77%	\$269,160
2	San Luis Obispo	\$54,750	\$135,606	77%	\$104,341
3	San Mateo	\$113,176	\$280,961	77%	\$216,184
3	Santa Barbara	\$88,125	\$134,408	77%	\$103,419
4	Santa Clara	\$270,052	\$497,743	77%	\$382,985
2	Santa Cruz	\$60,383	\$100,255	77%	\$77,141
2	Shasta	\$42,883	\$88,543	77%	\$68,129
1	Sierra	\$435	\$698	77%	\$537
2	Siskiyou	\$17,350	\$31,755	77%	\$24,434
3	Solano	\$75,110	\$159,262	77%	\$122,543
3	Sonoma	\$63,996	\$118,224	77%	\$90,967
3	Stanislaus	\$86,827	\$239,016	77%	\$183,910
2	Sutter	\$15,368	\$36,528	77%	\$28,107
2	Tehama	\$8,593	\$13,000	77%	\$10,003
1	Trinity	\$8,018	\$7,875	77%	\$6,059
3	Tulare	\$167,432	\$298,604	77%	\$229,759
2	Tuolumne	\$29,445	\$90,624	77%	\$69,730
3	Ventura	\$113,487	\$168,224	77%	\$129,439
2	Yolo	\$88,330	\$138,545	77%	\$106,603
2	Yuba	\$10,952	\$23,853	77%	\$18,354

* Adjustment factor of 77% represents proportion of fiscal year from September 23, 2021 through June 30, 2022.

Attachment B: 2021-22 \$7 Million Increased Transcript Rate Funding Allocation Methodology

Cluster	Court	Actual Expenditures on Court Reporter Transcripts				Proportion of Average Expenditures	Proportional Allocation of \$7M	New Funding as a Percent of Expenditures
		FY 2018-19	FY 2019-20	FY 2020-21	Average			
	Statewide	\$18,850,026	\$15,996,562	\$12,739,717	\$15,862,102	100.00%	\$7,000,000	44%
4	Alameda	\$539,125	\$462,789	\$316,575	\$439,496	2.77%	\$193,951	44%
1	Alpine	\$229	\$71	\$139	\$146	0.00%	\$65	44%
1	Amador	\$28,347	\$32,387	\$18,321	\$26,352	0.17%	\$11,629	44%
2	Butte	\$103,922	\$91,273	\$97,894	\$97,696	0.62%	\$43,114	44%
1	Calaveras	\$19,108	\$27,309	\$26,846	\$24,421	0.15%	\$10,777	44%
1	Colusa	\$25,190	\$14,533	\$8,008	\$15,910	0.10%	\$7,021	44%
3	Contra Costa	\$569,397	\$509,894	\$405,961	\$495,084	3.12%	\$218,482	44%
1	Del Norte	\$18,301	\$81,558	\$53,391	\$51,083	0.32%	\$22,543	44%
2	El Dorado	\$97,744	\$85,149	\$49,904	\$77,599	0.49%	\$34,245	44%
3	Fresno	\$550,703	\$502,569	\$431,683	\$494,985	3.12%	\$218,439	44%
1	Glenn	\$9,211	\$10,673	\$7,650	\$9,178	0.06%	\$4,050	44%
2	Humboldt	\$3,158	\$3,742	\$7,435	\$4,778	0.03%	\$2,109	44%
2	Imperial	\$31,734	\$22,759	\$23,298	\$25,930	0.16%	\$11,443	44%
1	Inyo	\$10,118	\$11,028	\$10,357	\$10,501	0.07%	\$4,634	44%
3	Kern	\$811,377	\$797,067	\$709,145	\$772,530	4.87%	\$340,920	44%
2	Kings	\$363,241	\$316,901	\$275,882	\$318,675	2.01%	\$140,632	44%
2	Lake	\$52,709	\$30,351	\$32,336	\$38,465	0.24%	\$16,975	44%
1	Lassen	\$43,485	\$36,511	\$30,822	\$36,939	0.23%	\$16,301	44%
4	Los Angeles	\$5,858,268	\$4,589,304	\$3,433,513	\$4,627,028	29.17%	\$2,041,923	44%
2	Madera	\$89,024	\$75,441	\$83,123	\$82,529	0.52%	\$36,421	44%
2	Marin	\$64,540	\$64,012	\$45,711	\$58,088	0.37%	\$25,634	44%
1	Mariposa	\$5,122	\$1,737	\$4,709	\$3,856	0.02%	\$1,702	44%
2	Mendocino	\$147,058	\$148,140	\$134,226	\$143,142	0.90%	\$63,169	44%
2	Merced	\$138,701	\$122,600	\$156,237	\$139,179	0.88%	\$61,420	44%
1	Modoc	\$22,153	\$28,306	\$7,155	\$19,204	0.12%	\$8,475	44%
1	Mono	\$2,955	\$5,300	\$2,806	\$3,687	0.02%	\$1,627	44%
3	Monterey	\$147,536	\$165,151	\$127,556	\$146,748	0.93%	\$64,760	44%
2	Napa	\$146,790	\$135,651	\$90,806	\$124,416	0.78%	\$54,905	44%
2	Nevada	\$55,593	\$35,114	\$23,786	\$38,164	0.24%	\$16,842	44%
4	Orange	\$1,185,057	\$1,015,335	\$982,451	\$1,060,947	6.69%	\$468,200	44%
2	Placer	\$144,479	\$170,553	\$148,518	\$154,517	0.97%	\$68,189	44%
1	Plumas	\$8,238	\$4,740	\$2,104	\$5,027	0.03%	\$2,219	44%
4	Riverside	\$20,206	\$24,959	\$11,186	\$18,784	0.12%	\$8,289	44%
4	Sacramento	\$880,868	\$754,751	\$623,902	\$753,173	4.75%	\$332,378	44%
1	San Benito	\$6,405	\$6,206	\$3,766	\$5,459	0.03%	\$2,409	44%
4	San Bernardino	\$824,927	\$737,088	\$636,886	\$732,967	4.62%	\$323,461	44%

Attachment B: 2021-22 \$7 Million Increased Transcript Rate Funding Allocation Methodology

Cluster	Court	Actual Expenditures on Court Reporter Transcripts				Proportion of Average Expenditures	Proportional Allocation of \$7M	New Funding as a Percent of Expenditures
		FY 2018-19	FY 2019-20	FY 2020-21	Average			
	Statewide	\$18,850,026	\$15,996,562	\$12,739,717	\$15,862,102	100.00%	\$7,000,000	44%
4	San Diego	\$1,350,757	\$1,058,891	\$501,181	\$970,276	6.12%	\$428,186	44%
3	San Francisco	\$772,804	\$464,089	\$300,914	\$512,602	3.23%	\$226,213	44%
3	San Joaquin	\$350,016	\$330,322	\$349,811	\$343,383	2.16%	\$151,536	44%
2	San Luis Obispo	\$119,285	\$117,302	\$135,606	\$124,064	0.78%	\$54,750	44%
3	San Mateo	\$266,446	\$221,966	\$280,961	\$256,458	1.62%	\$113,176	44%
3	Santa Barbara	\$281,733	\$182,937	\$134,408	\$199,693	1.26%	\$88,125	44%
4	Santa Clara	\$631,761	\$706,321	\$497,743	\$611,941	3.86%	\$270,052	44%
2	Santa Cruz	\$164,718	\$145,513	\$100,255	\$136,829	0.86%	\$60,383	44%
2	Shasta	\$113,807	\$89,173	\$88,543	\$97,174	0.61%	\$42,883	44%
1	Sierra	\$0	\$2,256	\$698	\$985	0.01%	\$435	44%
2	Siskiyou	\$65,674	\$20,518	\$31,755	\$39,316	0.25%	\$17,350	44%
3	Solano	\$180,537	\$170,800	\$159,262	\$170,200	1.07%	\$75,110	44%
3	Sonoma	\$159,686	\$157,135	\$118,224	\$145,015	0.91%	\$63,996	44%
3	Stanislaus	\$198,821	\$152,415	\$239,016	\$196,751	1.24%	\$86,827	44%
2	Sutter	\$25,844	\$42,100	\$36,528	\$34,824	0.22%	\$15,368	44%
2	Tehama	\$25,810	\$19,604	\$13,000	\$19,471	0.12%	\$8,593	44%
1	Trinity	\$17,362	\$29,273	\$7,875	\$18,170	0.11%	\$8,018	44%
3	Tulare	\$437,435	\$402,174	\$298,604	\$379,404	2.39%	\$167,432	44%
2	Tuolumne	\$61,968	\$47,574	\$90,624	\$66,722	0.42%	\$29,445	44%
3	Ventura	\$310,421	\$292,846	\$168,224	\$257,164	1.62%	\$113,487	44%
2	Yolo	\$264,625	\$197,301	\$138,545	\$200,157	1.26%	\$88,330	44%
2	Yuba	\$25,498	\$25,100	\$23,853	\$24,817	0.16%	\$10,952	44%

GL Accounts

938701 Court Transcripts
 938702 Non-Felony Appeals
 938703 Felony Appeals
 938705 Civil Transcripts
 938711 Electronic Reporting