



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on September 24, 2019

Title

Trial Court Budget: Reporting Requirement for Trial Court Trust Fund and State Trial Court Improvement and Modernization Fund Encumbrances

Agenda Item Type

Action Required

Effective Date

September 24, 2019

Rules, Forms, Standards, or Statutes Affected

None

Date of Report

August 30, 2019

Recommended by

Trial Court Budget Advisory Committee
Hon. Jonathan B. Conklin, Chair

Contact

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Executive Summary

The Trial Court Budget Advisory Committee (TCBAC) recommends foregoing the reporting requirement for outstanding encumbrances for all programs funded from the Trial Court Trust Fund (TCTF) and/or State Trial Court Improvement and Modernization Fund (IMF), unless requested. This recommendation is in response to a change in the circumstances that triggered the original reporting requirement and will assist to reduce Judicial Council staff workload.

Recommendation

The TCBAC recommends that the Judicial Council, effective September 24, 2019, forego the annual reporting requirement for outstanding encumbrances from the TCTF and IMF, unless requested.

Relevant Previous Council Action

At its August 21, 2015 meeting, the Judicial Council adopted a reporting requirement which required Judicial Council staff to report biannually on outstanding encumbrances for all programs that support trial courts and are funded from the TCTF and IMF. At the council meeting on May 24, 2018, the biannual reporting requirement was reduced to an annual report.

Analysis/Rationale

The recommendation to require Judicial Council staff to report biannually on outstanding encumbrances for all TCTF- and IMF-funded programs that support the trial courts was in part related to the financial landscape facing the two funds at that time. Specifically, both funds were facing anticipated funding shortfalls. The reporting requirement was developed to help aid the TCBAC in implementing recommendations for possible reductions to already approved allocations as well as requested future allocations.

At the council meeting on May 24, 2018, the biannual reporting requirement was reduced to an annual report because conditions with both funds had significantly improved. Furthermore, with the approval of recent budget change proposals in the 2019–20 enacted budget, and an ongoing agreement with the Department of Finance to backfill the TCTF for shortfalls in certain key revenue streams, both funds now appear healthy for the foreseeable future. Neither fund is experiencing uncertainty of funding shortfalls, fund balance, or insolvency.

The original circumstances that triggered the reporting requirement are no longer present. Removing the reporting requirement would assist to reduce Judicial Council staff workload and would not prevent staff from producing an ad hoc report on either fund on request. In addition, Judicial Council staff will notify the TCBAC and the Judicial Council if any circumstances arise that affect the funds.

Policy implications

None.

Comments

This item did not circulate for comment. Public comment was not received for this item when considered by TCBAC on August 7, 2019.

Alternatives considered

None.

Fiscal and Operational Impacts

There are no costs to implement this recommendation.

Attachments and Links

None