



JUDICIAL COUNCIL OF CALIFORNIA

455 Golden Gate Avenue · San Francisco, California 94102-3688

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CIRCULATING ORDER MEMORANDUM TO THE JUDICIAL COUNCIL

Circulating Order Number: -CO-17-02

Title

Budget: Update to Fiscal Year 2017–2018
Budget Proposal for the Judicial Council

Action Requested

VOTING MEMBERS ONLY: Vote and return by fax. Additionally, return original signature page.

Rules, Forms, Standards, or Statutes Affected

None

Please Respond By

February 7, 2017

Recommended by

Judicial Council Staff
Martin Hoshino, Administrative Director
John Wordlaw, Chief Administrative Officer
Zlatko Theodorovic, Director, Budget
Services

Date of Report

February 1, 2017

Contact

Zlatko Theodorovic, 916-263-1397
zlatko.theodorovic@jud.ca.gov

Executive Summary

The Advisory Committee on Financial Accountability and Efficiency for the Judicial Branch recommend approval and submission of the fiscal year (FY) 2017–2018 budget proposal for the Judicial Council, Replace Oracle Financial System with the Financial Information System for California (FI\$Cal) Program. Submittal of budget change proposals is the standard process for proposing funding adjustments in the State Budget. Budget change proposals must be submitted to the state Department of Finance by February 9, 2017, for inclusion in the 2017–2018 Governor's May Revision.

Recommendation

Effective February 1, 2017, the Advisory Committee on Financial Accountability and Efficiency for the Judicial Branch and the Judicial Council Technology Committee recommend that the

Judicial Council approve the FY 2017–2018 budget proposal for the Judicial Council, Replace Oracle Financial System with the Financial Information System for California (FI\$Cal) Program.

Previous Council Action

The Judicial Council has not taken previous action on this specific request; however, the council has approved other budget change proposals (BCPs) at the August 25, 2016, and January 19, 2017, meetings.

Rationale for Recommendation

Each year, the Judicial Council staff present budget proposals for the council to review. Once approved, the proposals are finalized into BCPs. Submittal of BCPs is the standard process for proposing funding adjustments to the State Budget, and the Judicial Council has the authority to submit BCPs to the Department of Finance on behalf of the Supreme Court, Courts of Appeal, Judicial Council, Judicial Branch Facility Program, trial courts, and Habeas Corpus Resource Center.

Judicial Council approval of budget proposal

Judicial Council approval is requested on the FY 2017–2018 budget proposal for the Judicial Council, Replace Oracle Financial System with the Financial Information System for California (FI\$Cal) Program.

1. ***Replace Oracle Financial System with the Financial Information System for California (FI\$Cal) Program.*** Proposed augmentation of \$6.1 million General Fund (\$2.8 million in 2017–2018, \$1.7 million in 2018–2019, and \$1.6 million in 2019–2020 and ongoing) and 7.0 one-year, limited-term positions to support transition to the FI\$Cal Program. The Judicial Council currently uses an Oracle Financial System to perform accounting, budgeting, and procurement activities for the branch and the Commission on Judicial Performance. The Judicial Council is one of several state agencies that have been exempt from the implementation of the FI\$Cal system; however, the Judicial Council does follow the state legal-basis rules of accounting and is required to provide regular reports to the state. Considering the substantial software/hardware upgrades necessary to add new functional models to the current Oracle Financial System, the Judicial Council is in a unique position to capitalize on implementation of the FI\$Cal system since it incorporates many of the elements that can potentially improve internal processes and functionality.

As IT staff began developing the business requirements for the Oracle upgrade, the FI\$Cal project staff invited the Judicial Council to participate in testing and informational workshops and indicated a desire for the Judicial Council to join the FI\$Cal system. The functionality offered by the FI\$Cal system may support efficiencies in areas such as invoices and travel claims, solicitations and contracts, budgeting, and capital project cost tracking.

The requested funding will support the following functions:

- \$2.8 million and 7.0 positions to complete system deployment in 2017–2018 (\$2.0 million for system deployment and \$0.8 million for 7.0 positions).
 - Consistent with the FISCAL deployments in other state departments, it is necessary to dedicate existing experienced staff (also known as subject matter experts) to ensure smooth transition and deployment of the new system. In order to maintain necessary staffing resources at the Judicial Council, 7.0 positions are needed to backfill behind the required subject matter experts in Accounting, Procurement, Budget Services, and Information Technology and provide funding to support consulting costs for a project manager.
- \$1.7 million in 2018–2019 for system support, which reduces to \$1.6 million in 2019–2020 and ongoing once the archive of the Oracle System information is completed and the Oracle software license cost is eliminated.

Comments, Alternatives Considered, and Policy Implications

A gap analysis is being completed to analyze the replacement of the existing Oracle Financial System with the state-managed FISCAL system. To the extent any gaps can be mitigated and funding is provided, the Judicial Council will proceed with deployment of the FISCAL system.

Implementation Requirements, Costs, and Operational Impacts

Not applicable.

Attachments

None.

Instructions for Review and Action by Circulating Order

Voting members

- Please indicate your **vote, sign, and return by 12:00 p.m., (February 7, 2017)**, if possible by one of these methods:
 1. Fax the signature pages to the attention of Judicial Council and Trial Court Leadership, Leadership Services Division at 415-865-4391.
 2. Reply to the e-mail message with “I approve,” “I disapprove,” or “I abstain.”
- If you are unable to reply by **(February 7, 2017)**, please do so as soon as possible thereafter.
- Additionally, **return the original** signature page to Judicial Council and Trial Court Leadership, Judicial Council of California, 455 Golden Gate Avenue, San Francisco, California, 94102-3688. **Please keep a copy for your records.**

Advisory members

The circulating order is being faxed to you for your information only. There is no need to sign or return any documents.

**CIRCULATING ORDER
Judicial Council of California
Voting and Signature Pages**

Effective immediately, the Judicial Council approves the fiscal year (FY) 2017–2018 budget proposal for the Judicial Council, Replace Oracle Financial System with the Financial Information System for California (FI\$Cal) Program.

My vote is as follows:

Approve Disapprove Abstain

Tani G. Cantil-Sakauye, Chair

_____/s/
Marla O. Anderson

_____/s/
Brian John Back

Richard Bloom

_____/s/
Stacy Boulware Eurie

_____/s/
Kyle S. Brodie

_____/s/
Ming W. Chin

_____/s/
Samuel K. Feng

_____/s/
Scott M. Gordon

_____/s/
Harry E. Hull, Jr.

_____/s/
James M. Humes

_____/s/
Audra Ibarra

_____/s/
Hannah-Beth Jackson

_____/s/
Patrick M. Kelly

My vote is as follows:

Approve Disapprove Abstain

/s/
Dalila Corral Lyons

Donna D'Angelo Melby

Douglas P. Miller

/s/
Gary Nadler

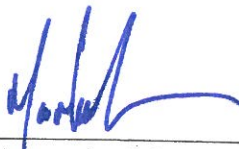
/s/
Debra Elaine Pole

/s/
David M. Rubin

/s/
Dean T. Stout

Date: February 8, 2017

Attest:



Administrative Director and
Secretary of the Judicial Council