

# Trial Court Trust Fund Allocations: 2 Percent State-Level Reserve

Judicial Council Meeting

February 20, 2014

# Previous Judicial Council Action on Supplemental Funding for the Superior Court of Kings County

- On January 30, 2013, the court submitted an application with all the required information
- Court projected a negative fund balance of \$1.97 million in 2012-2013 for an unanticipated expenditure



# Previous Judicial Council Action on Supplemental Funding for the Superior Court of Kings County

The \$1.97 million negative fund balance included:

- \$2.11 million for deployment costs for a new CMS which includes five years of licensing and maintenance costs
- \$141,000 positive projected fund balance



# Previous Judicial Council Action on Supplemental Funding for the Superior Court of Kings County

- The Judicial Council considered the court's request and approved an allocation of up to \$2.11 million over a five-year period, starting with \$733,000 in 2012–2013 with terms and conditions listed on page 3 of report.



# Previous Judicial Council Action on Supplemental Funding for the Superior Court of Kings County

In order to receive a distribution 2 percent state-level reserve the court must provide:

- Projection of project costs and detailed financial information demonstrating why it is unable to address those costs within existing resources by no later than November 1 of each year.





# Supplemental Funding Request for the Superior Court of Kings County

- On January 16, 2014, the court submitted a revised application (initial application was submitted on 10/17/13) with all the required information.
- Court projects a negative fund balance of \$147,000 in 2013-2014.



# Overview of Supplemental Funding Request for the Superior Court of Kings County

The \$147,000 negative fund balance is comprised of:

- \$130,000 for the second year deployment costs for a new CMS
- \$17,000 operational deficiency due to higher than budgeted expenditures



# Overview of Supplemental Funding Request for Kings (cont.)

- \$130,000 for the second year deployment costs for a new CMS

## Deployment Costs in Fiscal Year 2013-2014

(In Millions)	
Total Costs of 2 <sup>nd</sup> Year Deployment	(\$ .600)
TCTF Allocation Remaining from 2012-2013	<u>\$ .470</u>
Amount Needed for 2 <sup>nd</sup> Year Deployment	(\$ .130)





# Overview of Supplemental Funding Request for Kings (cont.)

## Fiscal Year 2013-2014

(In Millions)

Total Revenue Sources	\$ 9.411
Total Expenditures	<u>(\$ 9.558)</u>
Projected Ending Fund Balance	(\$ .147)
CMS Costs for 2 <sup>nd</sup> Year Deployment	(\$ .130)
Operational Deficiency	(\$ .017)



# Recommendation 1 – Option 1

- Option 1: Deny Request - Continue on county CMS mainframe
- Costs will increase 69% from 2013-2014 in 2014-2015 since court will be the only remaining entity on county CMS mainframe.
- Court indicates it may default on contract with vendor.



# Recommendation 1 – Option 2

- Option 2: Grant the Court's Request
  - Allocation of up to \$130,000 for second year of a five year period CMS deployment from the 2 percent reserve
  - Savings from transitioning off county CMS to new CMS starting in 2015-2016
  - Judicial Council may allocate up to \$1.377 million remaining of the \$2.11 million approved in 2012-13



# Recommendation 1 – Option 3

- Option 3: Approve Partial Funding of the Court's Request and Operational Deficiency of \$53,000.
- Approve second year cost of deployment of new CMS of \$130,000 and the operational deficiency of \$17,000 for a total of \$147,000.
- Reduced by the amount of additional allocations the Judicial Council makes at this meeting (anticipated to be \$94,000), for a net total of \$53,000.



# Recommendation 1 – Option 3 (cont.)

## Fiscal Year 2013-2014

(In Millions)

Total Revenue Sources	\$ 9.411
Total Expenditures	<u>(\$ 9.558)</u>
Projected Ending Fund Balance	(\$ .147)
<i>Anticipated Additional Allocations:</i>	
Criminal Realignment	\$ .015
2 Percent State Level Reserve	\$ .063
Court Appointed Dependency Counsel	<u>\$ .016</u>
<b>Total Additional Allocations:</b>	<b>\$ .094</b>
<b>Revised Ending Fund Balance</b>	<b>(\$ .053)</b>





# Superior Court of Kings County— Fiscal Year 2014-2015

- Costs for third year deployment are estimated to be \$603,000 for new CMS
- Deployment costs will cause a deficit for the court even with WAFM allocation adjustment assuming \$100 million in new funding



# Superior Court of Kings County Fiscal Year 2014-2015

## Estimated Fiscal Year 2014-2015

	(In Millions)
Revenue Sources	\$ 8.216
Estimated WAFM assuming \$100 million	<u>\$ .422</u>
<b>Total Revenues</b>	<b>\$ 8.638</b>
Operating Expenditures	(\$ 8.583)
<i>CMS Costs for 3rd Year Deployment</i>	<i>(\$ .603)</i>
<i>Estimated Savings from Transitioning from County March 2015</i>	<u><i>\$ .167</i></u>
<b>Total Expenditures</b>	<b>(\$ 9.019)</b>
<b>Projected Ending Fund Balance</b>	<b>(\$ .381)</b>

# Recommendation 2

Approve allocations to all courts to be distributed after March 15 of a proportionate share of any unexpended funds from the 2 percent state-level reserve, as required by Judicial Council policy and by statute (Gov. Code § 68502.5).



# End of Presentation



ADMINISTRATIVE OFFICE  
OF THE COURTS