

The seal of the Judicial Council of Virginia is faintly visible in the background. It features a central figure holding a scale of justice, surrounded by the text "JUDICIAL COUNCIL OF VIRGINIA" and "1926".

**Trial Court Allocations: TCTF
Funding for Specific Costs in
2014–2015 and IMF Allocation
Reductions for 2014–2015**

Judicial Council Meeting

June 27, 2014

Role of the Judicial Council

- The Judicial Council has the statutory authority to allocate funding appropriated in the annual budget act from the Trial Court Trust Fund (TCTF) and the State Trial Court Improvement and Modernization Fund (IMF).
- The Trial Court Budget Advisory Committee (TCBAC) has provided recommendations for allocations from the IMF and the TCTF.



Fiscal Status of the TCTF

- Assuming the Judicial Council approves the recommended allocations contained in this report, the projected 2014–2015 ending fund balance of the TCTF is a negative \$44.4 million, and the unrestricted fund balance is a negative \$53.5 million.
- As the Budget Act provides a \$30.9 million backfill for the continued decline in fee and assessment revenues that support courts' base allocations, the projected shortfall in revenue to support courts' base allocations is \$22.7 million in FY 2014–2015.



Recommendation 1

- Approve an allocation of \$20.56 million from the Trial Court Trust Fund (TCTF) Programs 30.05 and 30.15 expenditure authority in fiscal year (FY) 2014–2015, which consists of funding to maintain three projects and programs at their 2013–2014 allocation levels and increases and decreases for six projects and programs that net to a overall decrease of \$2.83 million.



Recommendation 2

- Approve an allocation of \$124.8 million from the TCTF Program 45.10 expenditure authority in FY 2014–2015 for reimbursement of various trial court costs, including court-appointed dependency counsel, but consider any revised recommendations from the Trial Court Budget Advisory Committee following enactment of the 2014 State Budget.



Previous Council Action – Criminal Justice Realignment Funding

- In 2011–2012 and 2012–2013, the Judicial Council approved an allocation of the Criminal Justice Realignment funding using a methodology based on an estimate of caseload received from the California Department of Corrections and Rehabilitation. In 2013–2014, the council approved an initial allocation in July 2013 of half of the funding using that same methodology and a final allocation in February 2014 that was based equally on both population and workload.



Recommendation 3

- Approve an allocation of \$9.2 million from the TCTF Program 45.10 expenditure authority in FY 2014–2015 for criminal justice realignment costs in the following manner:
 - a. Allocate \$4.6 million, with each court's share based 50 percent on population and 50 percent on the FY 2013–2014 first, second, and third quarter workload data (number of petitions to revoke/modify postrelease community supervision and parole); and
 - b. Direct AOC Fiscal Services Office staff to allocate the remaining \$4.6 million based solely on updated FY 2013–2014 fourth quarter and FY 2014–2015 first quarter workload data.

Previous Council Action

- At its April 25, 2014 meeting, the Judicial Council adopted the TCBAC's recommendations to allocate for FY 2014–2015 a total of \$78.5 million from the IMF, discontinue the transfer of \$20 million from the IMF to the TCTF, move the FY 2014–2015 allocation for non-court-reimbursed costs of the V2 and V3 case management systems to the IMF, and move the allocation for the costs of the Enhanced Collections program from the IMF to the TCTF.
- At its April 25, 2014 meeting, the council approved removing in 2014–2015 the \$29.4 million allocation for unfunded 2012–2013 benefits costs.



Recommendation 4

- As the Budget Act of 2014 continues to require the transfer of \$20 million from the IMF to the TCTF, approve the following process for reducing by \$14.6 million, (from \$78.5 million to \$63.9 million), the level of 2014–2015 allocations from the IMF approved by the council in April 2014:



Recommendation 4 (cont'd)

- a. Move the \$6.3 million allocation for the V2 and V3 programs back to the TCTF;
- b. Exempt from reduction, the Workers' Compensation Reserve allocation of \$1.2 million, which is the estimated workers' compensation tail claim settlement amount that is non-reducible and must be paid; and
- c. Implement an 11.7 percent allocation reduction at the AOC division level and request the three divisions, in consultation with the relevant advisory committees, governing board and other immediate stakeholders, to recommend to the council at its July business meeting, how the reduction should be allocated to the programs and projects managed by the divisions.

Pending Council Consideration on July 29, 2014

- TCBAC intends to bring recommendations for the council's consideration at its July 29, 2014 meeting regarding:
 - New funding allocations and historical funding reallocations based on the Workload-based Allocation and Funding Model (WAFM);
 - Trial court benefits cost changes funding;
 - Allocation of the statutorily-required 2 percent set-aside; and
 - Preliminary allocation adjustments related to the 1 percent cap on trial courts' reserves.
- The TCBAC may also bring back changes to what is being recommended in this report or other allocations already approved by the council.



End of Presentation



ADMINISTRATIVE OFFICE
OF THE COURTS