

The background features a large, faint, circular seal of the Florida Judicial Council. The seal contains the text "FLORIDA JUDICIAL COUNCIL" around the perimeter and "1920" at the bottom. In the center of the seal is a figure holding a scale of justice and a sword, with a sun rising behind a landscape.

**Trial Court Allocations:  
Funding for General Court  
Operations and Specific  
Costs in FY 2014–2015**

Judicial Council Meeting

July 29, 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).
- The Trial Court Budget Advisory Committee (TCBAC) has provided recommendations for allocations from the TCTF for general trial court operations and certain specific trial court costs.



# Trial Court Budget Advisory Committee

- Trial Court Budget Advisory Committee took action on its recommendations to the council at its July 7, 2014 meeting.
- Nearly all of the recommendations presented today were approved unanimously which were passed unanimously with the exception of recommendation 2, which was passed 14 to 9.



# Fiscal Status of the TCTF

- Given the current TCTF revenue projections, as reflected in the Governor's proposed May Revision, and 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 \$13.2 million, and the unrestricted fund balance is a negative \$22.7 million.
- This takes into account the \$30.9 million backfill for the continued decline in fee and assessment revenues that support courts' base allocations that was provided in the Budget Act.



# Recommendation 1

- Related to an estimated shortfall of \$22.7 million in 2014–2015 TCTF revenue that supports courts' base allocation for operations, adopt the following recommendations:
  - Preliminarily allocate courts' 2014–2015 base allocation of \$1.557 billion from the TCTF and General Fund Program 45.10 appropriation.
  - Direct the Administrative Director to send a letter to the Department of Finance (DOF) informing that a deficiency request will be submitted and to submit such deficiency request after September 30, 2014.



# Recommendation 1 (cont'd)

- If the deficiency request is not adopted by the Governor, the council should direct the TCBAC to provide the council with a recommendation on how the shortfall should be allocated among the courts.
- The council should review two preliminary options for allocating a reduction to the extent a shortfall in revenue that supports courts' base allocation is not backfilled or funded.



# Revenue Shortfall Options

- The TCBAC considered two allocation options regarding each court's share of the \$22.7 million revenue shortfall, but these options are not being recommended at this time (see Appendix D).
- Scenario 1 assigns each court a share of the \$22.7 million shortfall based on their pro-rata share of the 2014–2015 base allocation
- Scenario 2 assigns a share based on their pro-rata share of the 2014–2015 base allocation less each court's 2011–2012 non-sheriff security allocation



# Recommendation 2

- Allocate the new benefits funding by prorating \$41.0 million to the trial courts based on each court's percentage of the total 2012–2013 and 2013–2014 benefits cost change of \$63.9 million.
- The remaining \$1.8 million in new benefits funding is for court interpreter benefits, and staff will coordinate with the Department of Finance to augment the Trial Court Trust Fund Program 45.45 (Court Interpreters) appropriation.





# Recommendation 3

- Allocate each court's share of a net allocation increase of \$86.3 million by using the 2014–2015 WAFM to reallocate 15 percent (\$216 million) and an additional \$146.3 million of courts' historical WAFM-related base allocation of \$1.44 billion, reallocate \$60 million in new funding provided in 2013–2014 for general court operations, and allocate \$86.3 million in new funding provided in 2014–2015 for general court operations



# Recommendation 4

- Allocate each court's share of the 2014–2015 WAFM funding-floor allocation adjustment, which includes funding-floor allocations for nine courts totaling \$1.2 million and a corresponding funding-floor related reduction for all other courts totaling \$1.2 million, for a net zero total allocation.



# Recommendation 5

- Allocate \$325,000 for reimbursement of court audit costs incurred by the California State Auditor.
- This requirement was included in the 2013 Budget Act.



# Recommendation 6

- Allocate each court's one-time contribution toward the statutorily required 2 percent reserve in the Trial Court Trust Fund (\$37.9 million in 2014–2015) calculated using the method used in 2012–2013 and 2013–2014.



# Recommendation 7

- Approve a preliminary one-time allocation reduction of \$2.0 million to courts that are projecting the portion of their 2013–2014 ending fund balance that is subject to the 1 percent fund balance cap to exceed the cap by \$2.0 million, as required by statute.



# Recommendation 8

- Approve a one-time process for courts to submit their final computation of the portion of their 2013–2014 fund balance that is subject to the 1 percent cap for review by a five-person committee before submission to the council, as outlined in the report.



# Recommendation 9

- Approve an annual process for courts to submit their preliminary and final computation of the portion of their ending fund balance that is subject to the 1 percent cap starting in 2015–2016, as outlined in the report.



# End of Presentation



ADMINISTRATIVE OFFICE  
OF THE COURTS