

AMENDED IN ASSEMBLY APRIL 7, 2016  
AMENDED IN ASSEMBLY MARCH 29, 2016  
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2458**

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**Introduced by Assembly Member Obernolte**

February 19, 2016

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An act to amend Section 68502.5 of, and to repeal and add Section 77203 of, the Government Code, relating to courts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2458, as amended, Obernolte. Courts: unexpended funds.

*Existing law requires the Judicial Council to adopt a budget and allocate funding for trial courts. Existing law requires the Judicial Council, when allocating funding to trial courts, to set a preliminary allocation, as specified. Existing law requires the Judicial Council to set aside specified funds for unforeseen emergencies, unanticipated expenses for existing programs, and unavoidable funding shortfalls, and to allocate those funds, as specified. Existing law requires the Judicial Council to annually report to the Legislature regarding the use of those funds.*

*This bill would remove the requirement that the Judicial Council set preliminary allocations, set aside funds, and report to the Legislature regarding the use of those funds.*

Existing law, until June 30, 2014, authorized a trial court to carry unexpended funds over from one fiscal year to the next. Existing law, commencing June 30, 2014, authorizes a trial court to carry over unexpended funds in an amount not to exceed 1% of the court's operating budget from the prior fiscal year. Existing law exempts certain

funds from the calculation of the 1% authorized to be carried over from the prior fiscal year.

This bill would repeal the 1% limitation described above, ~~and authorize a trial court to carry unexpended funds over from one fiscal year to the next. The bill would also make conforming changes; and, instead, would allow the Judicial Council to authorize a trial court to carry unexpended funds over from one fiscal year to the next.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 68502.5 of the Government Code is  
2 amended to read:  
3 68502.5. (a) The Judicial Council may, as part of its trial court  
4 budget process, seek input from groups and individuals as it deems  
5 appropriate, including, but not limited to, advisory committees  
6 and the Administrative Director of the Courts. The trial court  
7 budget process may include, but is not limited to, the following:  
8 (1) The receipt of budget requests from the trial courts.  
9 (2) The review of the trial courts' budget requests and evaluate  
10 them against performance criteria established by the Judicial  
11 Council by which a court's performance, level of coordination,  
12 and efficiency can be measured.  
13 (3) The annual adoption of the projected cost in the subsequent  
14 fiscal year of court operations, as defined in Section 77003, for  
15 each trial court. This estimation shall serve as a basis for  
16 recommended court budgets, which shall be developed for  
17 comparison purposes and to delineate funding responsibilities.  
18 (4) The annual approval of a schedule for the allocation of  
19 moneys to individual courts and an overall trial court budget for  
20 forwarding to the Governor for inclusion in the Governor's  
21 proposed State Budget. The schedule shall be based on the  
22 performance criteria established pursuant to paragraph (2), on a  
23 minimum standard established by the Judicial Council for the  
24 operation and staffing of all trial court operations, and on any other  
25 factors as determined by the Judicial Council. This minimum  
26 standard shall be modeled on court operations using all reasonable  
27 and available measures to increase court efficiency. The schedule  
28 of allocations shall ensure that all trial courts receive funding for

1 the minimum operating and staffing standards before funding  
2 operating and staffing requests above the minimum standards, and  
3 shall include incentives and rewards for any trial court's  
4 implementation of efficiencies and cost saving measures.

5 (5) The reallocation of funds during the course of the fiscal year  
6 to ensure equal access to the trial courts by the public, to improve  
7 trial court operations, and to meet trial court emergencies. Neither  
8 the state nor the counties shall have any obligation to replace  
9 moneys appropriated for trial courts and reallocated pursuant to  
10 this paragraph.

11 (6) The allocation of funds in the State Trial Court Improvement  
12 and Modernization Fund to ensure equal access to trial courts by  
13 the public, to improve trial court operations, and to meet trial court  
14 emergencies, as expressly authorized by statute.

15 (7) Upon approval of the trial courts' budget by the Legislature,  
16 the preparation during the course of the fiscal year of allocation  
17 schedules for payments to the trial courts, consistent with Section  
18 68085, which shall be submitted to the Controller's office at least  
19 15 days before the due date of any allocation.

20 (8) The establishment of rules regarding a court's authority to  
21 transfer trial court funding moneys from one functional category  
22 to another in order to address needs in any functional category.

23 (9) At the request of the presiding judge of a trial court, an  
24 independent review of the funding level of the court to determine  
25 whether it is adequate to enable the court to discharge its statutory  
26 and constitutional responsibilities.

27 (10) From time to time, a review of the level of fees charged  
28 by the courts for various services and prepare recommended  
29 adjustments for forwarding to the Legislature.

30 (11) Provisions set forth in rules adopted pursuant to Section  
31 77206 of the Government Code.

32 (b) Courts and counties shall establish procedures to allow for  
33 the sharing of information as it relates to approved budget proposals  
34 and expenditures that impact the respective court and county  
35 budgets. The procedures shall include, upon the request of a court  
36 or county, that a respective court or county shall provide the  
37 requesting court or county a copy of its approved budget and, to  
38 the extent possible, approved program expenditure component  
39 information and a description of budget changes that are anticipated  
40 to have an impact on the requesting court or county. The Judicial

1 Council shall provide to the Legislature on December 31, 2001,  
2 and yearly thereafter, budget expenditure data at the program  
3 component level for each court.

4 (c) ~~(1)~~—The Judicial Council shall retain the ultimate  
5 responsibility to adopt a budget and allocate funding for the trial  
6 courts and perform the other activities listed in subdivision (a) that  
7 best ensure their ability to carry out their functions, promote  
8 implementation of statewide policies, and promote the immediate  
9 implementation of efficiencies and cost saving measures in court  
10 operations, in order to guarantee equal access to the courts.

11 ~~(2) (A) When setting the allocations for trial courts, the Judicial~~  
12 ~~Council shall set a preliminary allocation in July of each fiscal~~  
13 ~~year. The preliminary allocation shall include an estimate of~~  
14 ~~available trial court reserves as of June 30 of the prior fiscal year~~  
15 ~~and each court's preliminary allocation shall be offset by the~~  
16 ~~amount of reserves authorized to be carried over pursuant to~~  
17 ~~Section 77203. In January of each fiscal year, after review of~~  
18 ~~available trial court reserves as of June 30 of the prior fiscal year,~~  
19 ~~the Judicial Council shall finalize allocations to trial courts and~~  
20 ~~each court's finalized allocation shall be offset by the amount of~~  
21 ~~reserves authorized to be carried over pursuant to Section 77203.~~

22 ~~(B) Upon preliminary determination of the allocations to trial~~  
23 ~~courts pursuant to subparagraph (A), the Judicial Council shall set~~  
24 ~~aside 2 percent of the total funds appropriated in Program 45.10~~  
25 ~~of Item 0250-101-0932 of the annual Budget Act and these funds~~  
26 ~~shall remain in the Trial Court Trust Fund. These funds shall be~~  
27 ~~administered by the Judicial Council and be allocated to trial courts~~  
28 ~~for unforeseen emergencies, unanticipated expenses for existing~~  
29 ~~programs, or unavoidable funding shortfalls. Unavoidable funding~~  
30 ~~shortfall requests for up to 1.5 percent of these funds shall be~~  
31 ~~submitted by the trial courts to the Judicial Council no later than~~  
32 ~~October 1 of each year. The Judicial Council shall, by October 31~~  
33 ~~of each year, review and evaluate all requests submitted, select~~  
34 ~~trial courts to receive funds, and notify those selected trial courts.~~  
35 ~~By March 15 of each year, the Judicial Council shall distribute the~~  
36 ~~remaining funds if there has been a request from a trial court for~~  
37 ~~unforeseen emergencies or unanticipated expenses that has been~~  
38 ~~reviewed, evaluated, and approved. Any unexpended funds shall~~  
39 ~~be distributed to the trial courts on a prorated basis.~~

1     ~~(C) The Judicial Council shall, no later than April 15 of each~~  
2     ~~year, report to the Legislature, pursuant to Section 9795 of the~~  
3     ~~Government Code, and to the Department of Finance all requests~~  
4     ~~and allocations made pursuant to subparagraph (B).~~

5     SEC. 2. Section 77203 of the Government Code is repealed.

6     ~~SEC. 3. Section 77203 is added to the Government Code, to~~  
7     ~~read:~~

8     ~~77203. A trial court may carry over all unexpended funds from~~  
9     ~~the court's operating budget from the prior fiscal year.~~

10    ~~SEC. 3. Section 77203 is added to the Government Code, to~~  
11    ~~read:~~

12    ~~77203. The Judicial Council may authorize a trial court to~~  
13    ~~carry unexpended funds over from one fiscal year to the next.~~