

Fiscal Years
2012-13 through 2016-17

MULTI-YEAR FINANCIAL PLAN (MY PLAN)

Superior Court of California,
County of Orange

MY Plan for Fiscal Years 2012-13 through 2016-17 is a five-year strategic financial plan that enables the planned allocation of resources in the manner that best meets the Court's short-term, long-term and strategic goals.



EXECUTIVE SUMMARY



TABLE OF CONTENTS

EXECUTIVE SUMMARY

OVERVIEW OF THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE	1
Mission Statement	2
Vision Statement.....	2
Strategic Goals	2
Understanding Trial Court Funding and Court Budget	3
PAST EFFORTS OF STRATEGIC PLANNING	6
Accomplishments.....	6
Limitations and Changed Circumstance.....	6
New Approach – Fiscal-Minded, Flexible, and Living Document.....	6
MULTI-YEAR FINANCIAL PLAN (MY PLAN).....	7
What is MY Plan?	7
Guiding Principles for MY Plan – Court Strategic Objectives.....	7
The Road to MY Plan.....	8
CURRENT SITUATION – ISSUES THAT AFFECT THE COURT	10
County Demographics.....	10
Case Filings.....	11
Political Influences from the Legislative, Executive, and Judicial Branch	11
Technology.....	11
Trial Court Funding Issues.....	12
Pivotal Issues Surrounding Court Budget	13
FISCAL YEAR 2012-13 APPROVED MY PLAN PROJECTS	16
CONSOLIDATED FIVE-YEAR FINANCIAL PLAN (Fiscal Years 2012-13 through 2016-17).....	20
ONGOING MANAGEMENT OF MY PLAN.....	22
Quarterly Meetings.....	22
Periodic Updates to MY Plan	23
Continual Improvement to MY Plan Process	23

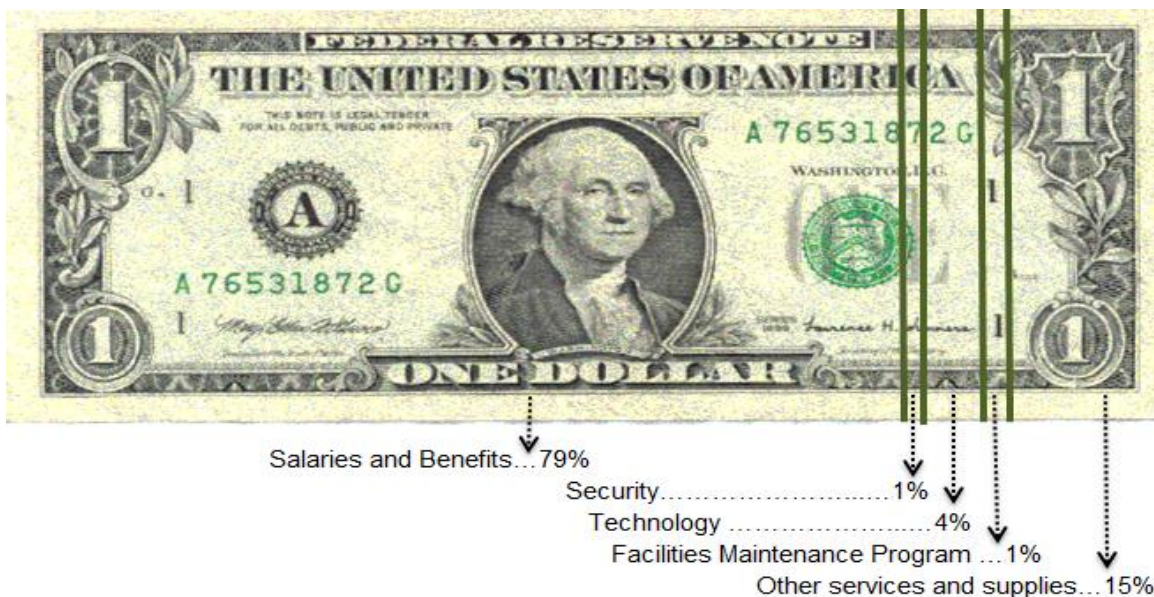
OVERVIEW OF SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE

The Court is part of the third branch of state government, the California Judicial Branch. As one of the 58 trial courts in the State, the Court serves the public by administering justice and resolving disputes under the law, thereby protecting the rights and liberties of all people. These functions are considered fundamental to democracy. The Court has trial jurisdiction over all criminal cases, including felonies, misdemeanors and traffic matters. The Court also has jurisdiction over civil cases, including family law, probate, juvenile, and general civil matters.

The Court provides judicial and court services to a county of over three million residents. It is the third largest trial court in California and the fifth largest in the nation, with 122 judges, 22 commissioners, and approximately 1,600 staff. There are six justice centers, located in Fullerton, Laguna Hills, Newport Beach, Orange, Santa Ana, and Westminster; and two additional court facilities located in Santa Ana (Community Court and Civil Annex). More than 628,000 cases were filed during Fiscal Year 2011-12. For a county of this size and with this caseload, a need for 167 judicial officers has been assessed¹. Securing adequate judicial resources for the trial courts is a top priority for the Judicial Branch and is critical in ensuring public access to justice. Although Orange County's judicial officer count is 13 percent below what is needed, it is on par with the rest of the State.

For the current fiscal year, the Court has an annual operating budget of \$203 million. The budget is made up of 79 percent salary and benefits expenditure, and 21 percent non-salary supplies and services expenditure.

Figure 1. Illustration of what each dollar pays for in the Court budget



¹ Source: Administrative Office of the Court, *The Need for New Judgeships in the Superior Courts: 2012 Update of the Judicial Needs Assessment* (September 2012)

This budget is inclusive of an in-house technology department, enhanced Collections Unit, and an expansive Self-Help Services unit. In addition, it is home to many Collaborative, or “problem solving”, courts (e.g., drug court, veteran’s court, DUI court) that address underlying issues that are present in a variety of legal situations. Although not a part of the court budget, the Court is protected by the County’s Sheriff Department.

Mission Statement

The mission of the Superior Court of California, County of Orange is to serve the public by administering justice and resolving disputes under the law, thereby protecting the rights and liberties guaranteed by the Constitutions of California and of the United States.

Vision Statement

The Superior Court of Orange County will provide the highest quality of justice and court system services to the community by:

- Being accessible, convenient, and understandable
- Providing a variety of appropriate and effective dispute resolution forums
- Maintaining a professional, appropriate environment where skilled judges and court staff treat all people equally and respectfully
- Using advanced technology to support the Court and serve the public
- Actively educating the public about the appropriate role and functions of courts and the services provided
- Expanding partnerships between the justice system and community including legal, business, law enforcement, and other entities to advance justice and promote the welfare of all people
- Responding to the needs and being representative of Orange County’s diverse community

Strategic Goals

The Court, through a comprehensive collaborative effort with staff and judicial officers, adopted the following strategic goals back in April 2008. These goals help set out the priorities of the Court and are to be used to align the Court’s resources.

Strategic Goal 1: The Court will deliver the highest quality of justice and service to court users, justice partners and the community by providing leadership to create and sustain public and private sector partnerships.

Strategic Goal 2: The Court will treat everyone in a fair and just manner, provide equal access, and respond to the needs of Orange County's diverse community and court users.

Strategic Goal 3: The Court will encourage preservation of judicial discretion and impartial decision-making, and maintain the highest standards of accountability for using public resources.

Strategic Goal 4: The Court will continue to strive for the highest quality judicial officers and staff.

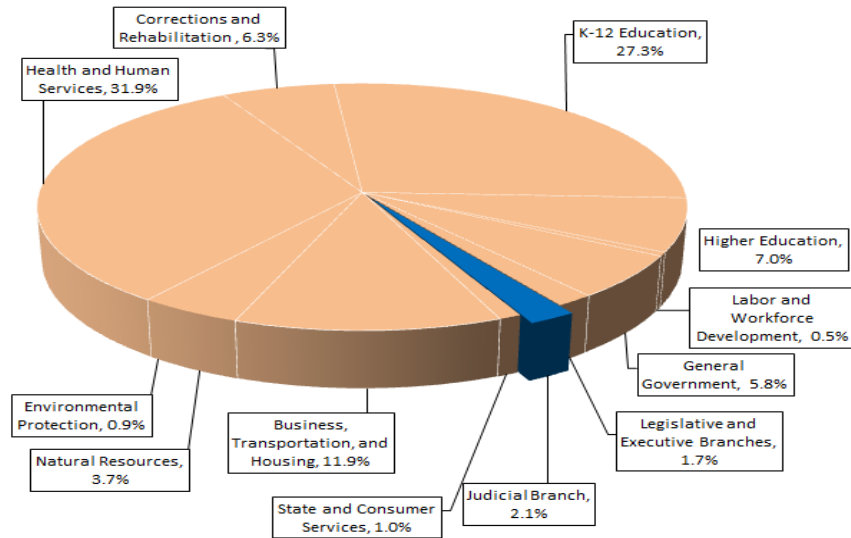
Strategic Goal 5: The Court will embrace innovative ideas and implement modern management practices for effective and efficient delivery of service.

Strategic Goal 6: The Court will establish a comprehensive technology, human resources, fiscal, and facilities infrastructure.

Understanding Trial Court Funding and Court Budget

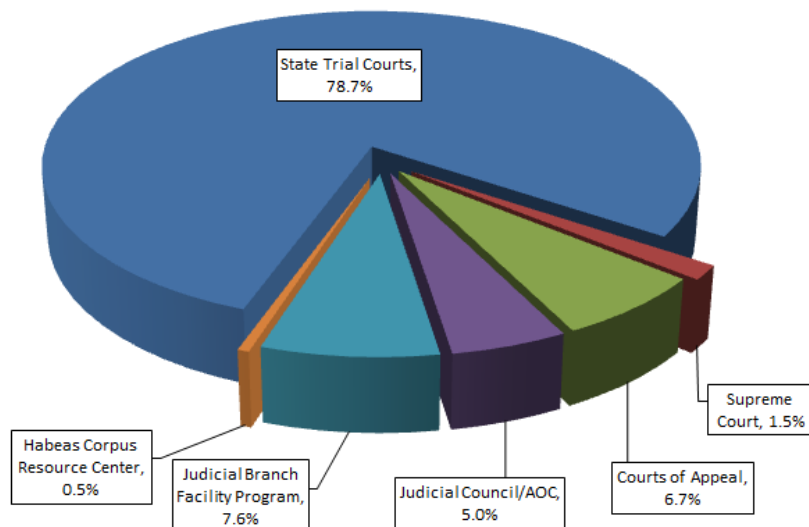
Trial courts in California are state-funded entities, whose funding appropriations are included in the State of California Budget under the *Trial Court Trust Fund* (established through the Lockyear-Isenberg Trial Court Funding Act of 1997). The Judicial Branch is subject to the level of funding that is approved by the State Budget, for the actual amount appropriated for the branch is negotiated between the Governor and the Legislature. Although it is a separate, co-equal branch of government, the Judicial Branch has seen funding reductions similar to other State agencies over the past several years.

Figure 2. Funding for the Judicial Branch is 2.1 percent of the State's General Fund



Fiscal Year 2012-13 overall State Budget of \$142.5 billion includes General Fund, special funds, and bond funds. The Judicial Branch budget is 2.1 percent of the overall state budget, or \$2.95 billion. It funds the Supreme Court, Courts of Appeal, State Trial Courts, Judicial Council/Administrative Office of the Courts (AOC), Judicial Branch Facility Program, and Habeas Corpus Resource Center.

Figure 3. Trial Court Funding is 78.7 percent of the Judicial Branch Budget



Trial Court Funding. State trial court funding represents 78.7 percent of the Judicial Branch budget. Upon the enactment of the State Budget each year, the Judicial Council (policymaking body of the California courts) approves funding allocations for each of the 58 individual trial courts. Unfortunately, funding levels are not directly correlated with service demands. When the number of case filings goes up, or if crime rate rises, funding does not automatically increase. In fact, it can be inversely correlated at times. This is especially true during an economic downturn. As expected, certain case types (such as civil and foreclosure cases) have seen an increase in volume as a circumstance of the recession. Yet, total court funding has decreased at a disproportionate rate as well. This has proven challenging to trial courts as they must manage an increased workload with less resources.

Since the State is the primary source of funding for trial courts, the economic health of the State plays a significant role in the fiscal outlook/situation of the Branch. Over the past five years, the Judicial Branch budget has seen a cumulative reduction of over \$1 billion. This amount represents more than a 50 percent cut from the pre-recessionary funding levels. Local trial courts are facing an unprecedented challenge in balancing large scale budget cuts and the need to maintain operations.

Table 1. History of Trial Court Funding Reductions

	(amounts in thousands)				
	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Estimate
Baseline Budget Reductions	(92,240)	(360,809)	(315,809)	(605,767)	(1,141,767)
Reductions Shared by Other Programs	-	17,682	13,687	18,702	20,702
TOTAL - REDUCTIONS	(92,240)	(343,127)	(302,122)	(587,065)	(1,121,065)

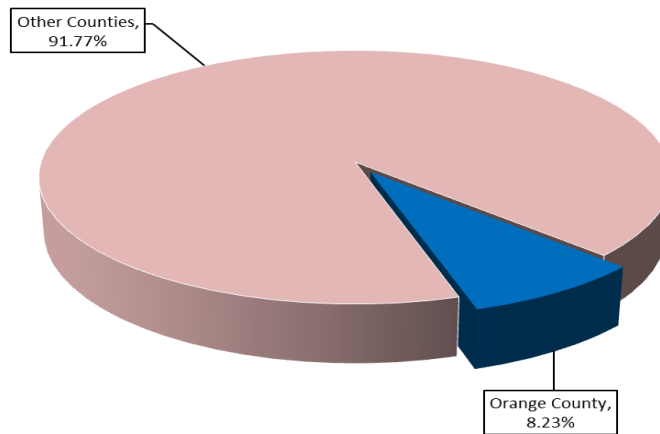
The State base allocation is the Court’s primary funding source. Individual trial court allocations are approved on an annual basis by the Judicial Council upon enactment of the State budget. Annual allocations are usually approved based on each court’s approved share of the total allocation. Currently, the Court’s share of the total trial court allocation is 8.23 percent. Historically, when reductions have been made at the State level, the trial courts received their corresponding “pro-rata share” of the reduction; however, in Fiscal Year 2012-13, reductions were not allocated on a pro-rata basis. Instead, per the 2012 Budget Act, a portion of the reductions was allocated based on each court’s share of total fund balance as of June 30, 2012. This change means that Orange County’s share of the funding reduction in Fiscal Year 2012-13 is actually 9.45 percent (1.22 percent higher than the normal share).

Court Budget. Currently, the Court’s share of the total trial court allocation is 8.23 percent. The Court’s approved budget for Fiscal Year 2012-13² is \$203 million. This budget was approved with an operating deficit of over \$34 million. Funding sources include:

- base allocation approved by the Judicial Council
- revenues and reimbursements received directly from the State (such as fee revenues, civil assessment, other state receipts, and reimbursement for judges’ compensation, court appointed counsel in dependency cases, interpreters, criminal jury costs, and grants and agreements)
- local revenues (e.g., fees collected)
- other sources (e.g., special projects and interest)
- use of reserves

² For a complete description of the Court’s approved budget for Fiscal Year 2012-13, please refer to the Court’s website at <http://www.occourts.org>.

Figure 4. Orange County's current share is 8.23 percent of the Total Trial Court Allocation

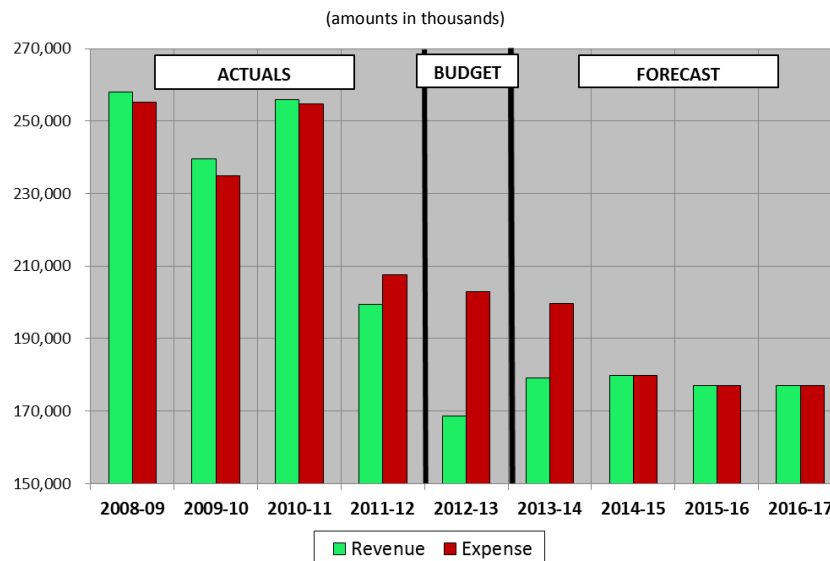


Use of funds includes:

- salaries and benefits
- services and supplies
- security administration costs
- technology costs
- facilities maintenance

Over the past five years, the Court's budget has been steadily decreasing. This is a direct result of the significant reduction of funding that has been allocated to the Judicial Branch at the State level. It is projected that the State's recovery will be extremely slow, thus trial courts need to change the way they operate in order to sustain a much lower level of funding. Prior to any expense reduction planning, the Court was projecting a significant funding deficit of over \$37 million in Fiscal Year 2014-15 and as much as \$52 million if restoration of a one-time cut is not included in the State budget.

Figure 5. Historical Look at Approved Court Budget Amounts



PAST EFFORTS OF STRATEGIC PLANNING

In 2008, the Court adopted its first five-year strategic plan. A committee of court judges, executives, and managers--as well as local attorneys and members of the Orange County Bar Association--began the strategic planning process by developing the six strategic goals listed on page 2. Subsequently, specific objectives were developed for each strategic goal, action items (a list of projects) were grouped by objective, and the final document was published. The plan was primarily a compilation of various projects and project ideas, but it was difficult to determine and plan for the implementation without consideration of the Court's fiscal situation.

Accomplishments

By looking ahead, the 2008 Strategic Plan gave the Court its first strategic roadmap to conduct business with the future in mind. The most significant effect of the plan was the change in organizational culture and the introduction and acceptance of tying projects to strategic goals. Executives and managers embraced this new approach and were ambitious when creating strategic plan projects. The initial list of potential projects had over 600 ideas. Ultimately, 177 unique projects were created and approved, with each addressing at least one of the six strategic goals. At that time, the economy was stable, and the Court had sufficient funds available to dedicate to these projects. However, there was no documented operational or fiscal impact analysis. As of the fall of 2011, 117 had been completed, 36 were in progress, 9 were cancelled and 15 remained at an on-hold status.

Limitations and Changed Circumstance

Although the 2008 Strategic Plan was the impetus for the Court's planning of technology improvements and other projects over the next several years, the methodology for approving and completing projects had several weaknesses. The previous strategic planning approach failed to consider the limit on resources, such as funding, staffing, and facilities. The Court worked on a myriad of projects that had merit regardless of resource requirements or time constraints. Use of funds was not assessed based on project duration (one-time versus recurring), nor was the impact to the Court's budget considered. The approval and timing of projects were not based on a court-wide prioritization or any quantified data. Project scopes were not always clearly defined, and collaborative analyses were not completed to measure full impact and implementation costs. At the time, the Court had built up a sizeable fund balance that allowed for discretionary spending on special projects. Many project costs were never specifically defined in the Court's budget. However, the financial situation is completely different now, and it is apparent that proper strategic planning must be done within a financial context.

This new planning reality, the ongoing recession and its concomitant negative impact on resources available to allocate to projects necessitated changes to the Court's method of strategic planning. With a significant decrease in the Court's annual budget, as well as the corresponding decline in the number of staff, any future strategic planning efforts and implementation of strategic projects must be done in a more resource constrained manner.

New Approach – Fiscal-Minded, Flexible, and Living Document

Any successful strategic plan should align concepts and approved projects with court strategic goals, a set of guiding objectives, as well as the availability of financial, human, and other resource requirements. It must be fiscally more responsible, encourage savvy spending practices, and allow the Court to operate within its means. It should be designed to be dynamic and flexible, which will allow ad hoc adjustments based on changing circumstances or funding limitations. Lastly, the strategic plan

should not be a document that sits passively on a shelf. It should be a “living document” that is continually being updated and remains relevant throughout its life.

MULTI-YEAR FINANCIAL PLAN (MY PLAN)

The ongoing recession and resulting trial court funding reductions have led to an awakening that the Court’s long-term planning must incorporate a global financial and operational perspective. Therefore, the Court developed a new strategic planning process to include an evaluation of external environmental factors as well as the Court’s financial position. This new approach, a Multi-Year Financial Plan (MY Plan) is a significant change to the Court’s prior practice, for it now includes a component of resource planning. Availability of resources (such as funding, staffing, facilities) will be considered, and the approval of projects will be tied back to the Court’s budgeting process.

What is MY Plan?

MY Plan is the Court’s dynamic, multi-year financial plan that enables the planned allocation of resources in a manner that will best meet the Court’s short-term, long-term, and strategic goals. It enables judicial and executive leaders to responsibly plan the Court’s financial future for a rolling five-year period. MY Plan is structured to facilitate a more efficient method of project approval and monitoring, along with increasing fiscal and operational accountability for effective project management and outcomes.

Decisions on how and when projects are implemented at the Court, and the amount of resources to be dedicated to each project, will be responsive to the guidance and direction provided by the Court’s leadership. The impact of these decisions will be evaluated on a quarterly basis by the Executive Team. Project activities, achievements, labor requirements, and budgetary expenditures will be reviewed each quarter. This process builds in the needed accountability associated with sound project management. MY Plan is most effective with a strong project management team that is innovative, accountable for the use of resources, and responsive to changing needs.

Guiding Principles for MY Plan – Court Strategic Objectives

The Executive Team has agreed that all MY Plan projects must be aligned with and address at least one of the five current Court strategic objectives. These objectives include Efficiency, Accessibility, Health and Safety, Accountability, and Cost Recovery. Collectively, they serve as guiding principles for which MY Plan related decisions are made.

Efficiency – The Court must provide services with fewer resources in order to continue meeting the demands of its customers. Because of decreased staffing, the Court must also provide services in less time. Beginning in Fiscal Year 2008-09, resource and time reductions have been generated through ongoing reengineering of business processes. However, additional efforts are needed to further reduce the amount of resources required to provide services. The implementation of a more efficient means of providing service often requires an initial outlay of capital. Savings, or the payback period, are usually measured over a long period of time—often in months, sometimes in years.

Accessibility – The Court provides a forum for its diverse users to settle disputes with equal approach for all. It continues to look for new and innovative ways to enable its customers to utilize services. Access is facilitated in a number of ways, including the provision of interpreters

and bilingual staff, assistance to self-represented parties through on-site and online self-help services, and through the use of technologies that makes court information available via the web and computers located at each justice center. Expanding these and other services to improve access—including the ability to view court information without entering the courthouse—increases fairness and convenience while reducing long-term cost.

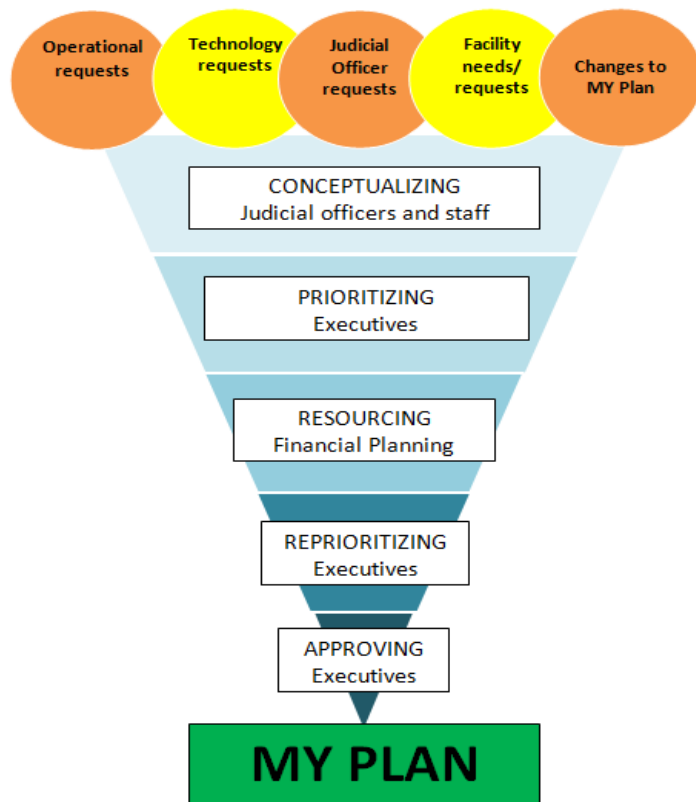
Health and Safety – The Court strives to provide a secure environment for its customers and employees that minimizes exposure to risk, danger, injury and illness. Routine maintenance is vital to ensure facilities are free from organisms that cause disease and other hazards that could result in adverse health or safety conditions. The security of facilities is preserved through the use of weapons screening, armed security, and advanced emergency response systems.

Accountability – The Court is responsible for a large amount of resources—monetary and physical. The potential loss of assets through malfeasance or otherwise is decreased by maintaining and improving appropriate controls. In addition, the Court must preserve accurate financial records and produce easy to understand financial reports. These safeguards are vital to fulfill the Court’s fiduciary responsibilities and ensure the safekeeping of assets.

Cost Recovery – The Court actively seeks opportunities to improve its financial position through the allowable enhancement of resources, especially those that can be used to mitigate State revenue reductions and provide the means for continuing ongoing operations. Opportunities may arise in the form of grant funding, reimbursable activities, or fees for service. New funding opportunities may be sought where mandated and non-mandated services are provided at the Court’s expense. The amount of any fees imposed will be based on the allowable cost-recovery and the actual cost of service.

The Road to MY Plan

MY Plan is the end result of combining three important facets of a strategic planning process: long-range goal planning, forecasting, and long-term budgeting. In order to properly develop a multi-year financial plan, the Court created and adopted a cohesive process to determine how to use its resources over the coming years and to project a five-year fiscal outlook for the Court. A step to conduct periodic review and make necessary adjustments is added at the end of the process to make this plan a flexible, living document. MY Plan then becomes a tool that can be used to responsibly manage resources and to implement timely responses to changes in the fiscal climate.



Introduction of MY Plan Concept. Under the direction of the Chief Financial and Administrative Officer, the Court's Financial Planning Office (FPO) staff began developing MY Plan late in the fall of 2010. In February 2011, this new concept was introduced to the Court's executive officers. With their concurrence, FPO staff presented MY Plan to the Court's Operations Department directors and senior managers in May 2011. Three months later, in August 2011, the entire management team was fully briefed and participated in an all-day brainstorming session. The conglomeration of ideas generated at this workshop was the birthplace for many of the project ideas included in this document.

Environmental Scan and Labor Bank. In September 2011, a select group of court managers gathered to discuss various environmental factors and their impact on the Court's operation for the next five years. This in-depth review shaped the Court's strategic objectives, which were discussed in the previous section. At the same time, FPO created a labor bank using information from executives and court managers. The labor bank is a database used to quantify the time and expense of human capital available to work on special projects. Along with other types of information, they provide guidance to the Executive Team when planning the Court's financial future. Next, a cohesive process was created to facilitate the submission of project ideas to be included in the long-range financial plan.

MY Plan Planning Process. The planning process has five distinct steps: *Conceptualize, Prioritize, Resource, Reprioritize, and Approve.* This process enables the Executive Team to evaluate the soundness of a project idea, determine its alignment with identified priorities and objectives, assess its fiscal impact, and approve its inclusion into the five-year MY Plan.

Conceptualize – Judicial officer and staff input to MY Plan is essential to the development of a viable long range financial plan. Ideas for best practices, process improvement, and quality enhancement often come from employees and staff. As such, they are encouraged to submit concept ideas to supervisors or managers, who will then forward the ideas to the designated Executive. If the idea is approved to proceed forward, a Concept Paper will be prepared. A Concept Paper is a formal project proposal that has an issue statement, justification or alignment to strategic goals and objectives, discussion on benefits to the Court or public, performance measures, estimated project length, and proposed budget. Once completed, the Concept Paper is submitted for initial review.

Prioritize – The Executive Team reviews each Concept Paper to determine its alignment with the Court's strategic goal and objectives and the feasibility of implementation. Concept Papers are then prioritized to either move forward to the next stage of review, place on hold, or end permanently. Those selected for an eventual secondary review will then be forwarded to FPO for a resource assessment.

Resource – Working with executives and managers responsible for the concept submitted, FPO calculates the one-time and ongoing costs and benefits of the project, and concurrently, completes an assessment of various risks associated with the project. The calculation of estimated cost includes Court staff, contractors, equipment, and other services and supplies. The calculation of benefits includes items such as revenues, cost savings, and/or costs avoided. Cost-benefit calculations include the net present value, and where applicable, the project's payback period.

Reprioritize – On a periodic basis, the Executive Team will meet to reprioritize all projects that have been resourced to date. This reprioritization process will include the evaluation of ongoing and pending MY Plan projects. The Executive Team will use data from the FPO resourcing worksheet, information about the current fiscal climate, and an assessment of the Court’s most pressing needs. In addition, the Executive Team will evaluate the need for staff resources by job classification – for projects individually and collectively—and the impacts against the available labor bank. Decisions regarding the approval of new project and/or the continuation of ongoing projects will be based on a final ranking of projects using the aforementioned criteria.

Approve – Concept Papers are referred for consideration into the five-year financial plan. They do not officially become MY Plan Projects until funding is approved for the project. The project budget is not finalized until court-wide project resource allocation is done to plan out how to responsibly use the Court’s available resources to complete these projects over the next several years. The Executive Team will decide when each project could begin and then directs FPO to add allocated project budget amounts to the appropriate fiscal year(s) budget. By tying the approved projects back to the budgeting process, MY Plan is fiscally responsible and allows the Court to operate within its means. All MY Plan project managers are accountable for the proper use of funds and resources, as well as achievement of expected project outcomes.

Although not part of the planning process, **Ongoing Management of MY Plan** has been developed as a follow-up step to ensure that periodic reviews are conducted and updates or changes are incorporated into MY Plan. This additional step is essential in ensuring that MY Plan operates as a flexible, living document that is up-to-date and relevant. Components and details of this step are described in a later section (Ongoing Management of MY Plan, page 22).

CURRENT SITUATION – ISSUES THAT AFFECT THE COURT

Several factors play a significant role in affecting the Court’s day-to-day operation, as well as its ability and responsibility to plan for the future. Although not exhaustive, the following list includes some of the more pertinent and current environmental factors that will shape the Court’s way of conducting business today and throughout the next several years.

County Demographics

According to the U.S. Census, Orange County is home to over three million people, representing approximately eight percent of California residents. A quarter of the population is comprised of juveniles under the age of 18, and almost 12 percent are over the age of 65. The older adult population is expected to almost double from 2010 to 2030. The need for the court system to deal with elder issues is expected to increase accordingly. Similarly, the growth in juvenile population has the potential to increase caseload in Juvenile Court.

Although Orange County often evokes images of the privileged and abundance wealth, the fact is that 10 percent of its residents live below poverty level. Its diverse population is comprised of approximately 43.5 percent White, 34.1 percent Hispanic/Latino, 18.4 percent Asian, 2.1 percent Black and 1.9 percent Other. Almost 45 percent speak a language other than English at home. A study conducted by the Court in 2007 found that almost 90 percent of court users do not have attorneys, and they often rely on the Court to provide legal information and/or interpreter services.

Case Filings

During the last fiscal year (July 2011 through June 2012), over 628,000 cases were filed in Orange County. The majority, or 438,673 cases, stemmed from citations issued for infractions and minor misdemeanor (e.g., traffic violations). There were 14,584 felonies, 50,903 misdemeanors, and 27,725 family law cases. Remaining cases were for small claims, civil matters, probate issues, related to mental health, and those pertaining to juveniles. It is difficult to project changes in the number of future case filings, however, the Court must be prepared to deal with any potential increase in workload.

Political Influences from the Legislative, Executive, and Judicial Branch

Aside from the yearly passage of court-related legislation, unexpected actions by the Legislative Branch can greatly impact the trial courts. For example, a power struggle took place during the early part of 2012 when the Legislature proposed several bills in an attempt to take control and oversight of the Judicial Branch's operational and budgetary decisions. This was a reaction to their disapproval of how the statewide California Court Case Management System (CCMS) project was handled by the Judiciary. This action has led to a strained relationship between the two branches, one that has not yet been completely repaired. Therefore, it is not unrealistic to expect future legislative bills that seek to intrude into the fundamental governance of the Judicial Branch. Now with a Democratic supermajority in both houses of the Legislature, bills can be passed and made into law even with a governor's veto. The potential effect of this to the Judicial Branch is unknown.

The Budget Act of 2012, signed by the Governor, dramatically decreased the appropriation for the Judicial Branch. In addition to severe funding cuts, provisions within the Budget Act fundamentally changed the way trial courts can manage their funds. Specifically, starting in Fiscal Year 2014-15, local courts are prohibited from maintaining reserve funds of more than one percent of its operating budget. Additionally, the Budget Act established a two percent reserve fund that will be held at the state level and managed by the Judicial Branch's administrative office. This fund is made up of two percent of each trial court's base allocation, which is equivalent to a further reduction to the trial courts. Without a rainy day fund, trial courts lose their ability and flexibility to respond to future financial crisis. The Governor also passed the California Public Employee's Pension Reform Act of 2013 to reform pension provisions for current and future state and local public employees. Although its effect is not immediate for the Court, there will be financial impacts as the Court's long-term employees begin to retire. Lastly, California voters recently passed the Governor's tax initiatives. The increase in revenue is projected to help with closing the State's deficit. Yet, the impact to trial court funding is still unknown.

Aside from outside forces, there were also internal changes to the leadership and administrative structure within the Judicial Branch. Chief Justice Tani G. Cantil-Sakauye took office in January 2011 after the retirement of long-serving Chief Justice Ronald M. George. Under her leadership, the branch has been implementing various new policies and procedures. New members have also been appointed to the Judicial Council, which is the policymaking body of the courts. In addition, the AOC, the entity that implements Judicial Council's policies, has undergone a complete organizational restructure, with new leadership and role definition. All these factors have already brought on many changes to the trial courts, and they will likely to continue affecting how the trial courts conduct day-to-day business.

Technology

Reliance on technology has become a way of life. It has changed people's expectations of what can be accomplished, and thus, should be available as a basic business model. Operating and staffing physical courthouses for the public to go and resolve legal matters no longer suffice. Access to the justice system is now expected through cyberspace, and on a 24 hours a day, 7 days a week schedule. The public

demands the ability to conduct business over the Internet, and the Court has responded by implementing Internet-based transactions, such as case information access, payment of citations and fines, schedule or calendaring of hearings, and electronic filing of court documents. During Fiscal Year 2011-12, over 330,000 online payment transactions took place, and over \$50.3 million were collected from people who never had to physically visit a courthouse. The Court also needs to begin embracing social media, such as YouTube and Facebook, and take advantage of the opportunity to conduct public service announcements, and even press conferences, via online streaming.

For the Court, technology has greatly improved business practices. Yet, it is a challenge to keep up with advances in the technical world. Computer hardware and software become obsolete quickly, and equipment needs to be upgraded constantly. The biggest investment for a trial court is case management systems. These systems reduce processing time, digitize the case file, and allow for quick and easy access to case information. Essentially, it is imperative that the case management systems be functional and have adequate technical support to ensure their continued operation. The Judicial Council decided to abandon the statewide project. This action has led the Court to reexamine whether it should continue to use CCMS or invest a significant amount of funds to purchase another system. Additional assessment must also be made to determine if upgrades or replacement of case management systems for the remaining case types should be completed (hence leading to another investment of funds), or if the new system would be one to encompass all case types.

Although the use of technology has been embraced and implemented throughout the Court, efforts and resources must continue to focus on modernization of the Court’s equipment and technological infrastructure. More work can and needs to be done to improve operations, facilitate the flow of information among different law enforcement agencies, and essentially allow for an around-the-clock public access to the Court.

Trial Court Funding Issues

Since the onset of the economic downturn, the Judicial Branch budget has seen a steady decrease. In turn, local trial courts’ base allocation amounts have been affected. For the Court, this means a change in base allocation from \$194,944,000 in Fiscal Year 2008-09 to \$105,463,000 in Fiscal Year 2012-13. When this amount is adjusted to reflect the transfer of security funding (roughly \$42 million) from the Court to the County, this translates to a reduction of over \$47 million over the past five years.

Table 2. Revenue by Major Category as a Percentage of Total Revenue

	(actual and budget amounts in thousands)									
	2008-09		2009-10		2010-11		2011-12		2012-13	
	Actual	% of total	Actual	% of total	Actual	% of total	Actual	% of total	Budget	% of total
State Allocation	194,944	76%	180,912	76%	193,246	76%	145,111	73%	105,463	63%
State – Other	40,324	16%	37,153	16%	37,803	15%	32,202	16%	35,127	21%
Local Revenue	19,691	8%	21,024	9%	24,461	10%	22,216	11%	25,665	15%
Facilities Maintenance	-	-	-	-	-	-	-	-	2,230	1%
Interest	3,017	1%	396	0%	346	0%	(217)	0%	200	0%
TOTAL REVENUE	257,976	100%	239,485	100%	255,856	100%	199,313	100%	168,685	100%

The Trial Court Trust Fund (TCTF) is the primary source of trial court funding. In Fiscal Year 2008-09, the TCTF was composed of 59.3 percent State General Fund Transfers. In comparison, General Fund transfers only make up 14.8 percent of the TCTF in Fiscal Year 2012-13 (this figure is adjusted to reflect the transfer of security funding from the Court to the County). As the State has made continued funding reductions (e.g. reductions in General Fund transfers), the courts have had to rely on other revenue

sources such as civil filing fees to help offset some of the reduction. The following chart shows the change in composition of the TCTF over the past five fiscal years.

Table 3. Composition of Trial Court Trust Fund (source: Administrative Office of the Courts)

Projected Revenues and Transfers	(amounts in thousands)									
	2008-09 Actual		2009-10 Actual		2010-11 Actual		2011-12 Estimate		2012-13 Estimate	
	Amount	% of TCTF Total	Amount	% of TCTF Total	Amount	% of TCTF Total	Amount	% of TCTF Total	Amount	% of TCTF Total
Maintenance of Effort Obligation Revenue	664,953	22.1%	659,370	23.5%	658,019	21.7%	658,592	26.5%	659,051	36.9%
Civil Fee Revenue	348,043	11.6%	356,892	12.7%	385,958	12.7%	374,477	15.1%	427,310	23.9%
Civil Assessment Revenue	121,483	4.0%	129,099	4.6%	145,727	4.8%	143,928	5.8%	142,119	8.0%
Court Operations Assessment Revenue	98,682	3.3%	130,773	4.7%	159,948	5.3%	166,992	6.7%	166,878	9.4%
Parking Penalty Assessment Revenue	-	0.0%	-	0.0%	7,126	0.2%	24,761	1.0%	25,136	1.4%
Other Revenue	4,377	0.1%	2,412	0.1%	2,326	0.1%	2,425	0.1%	2,307	0.1%
General Fund Transfers ¹	1,786,000	59.3%	1,517,581	54.0%	1,561,890	51.4%	888,858	35.7%	263,691	14.8%
Net Other Transfers ²	(12,550)	-0.4%	12,524	0.4%	116,618	3.8%	226,733	9.1%	97,717	5.5%
Total - TCTF Revenues and Transfers	3,010,987		2,808,650		3,037,611		2,486,767		1,784,209	

1. General Fund transfer amounts are not adjusted to reflect the transfer of security from the courts to the counties.

2. This includes transfers related to the Trial Court Improvement Fund, Judicial Administration Efficiency and Modernization Fund, State Court Facilities Construction Fund (SCFCF), SCFCF - Immediate and Critical Needs Account, Judicial Branch Worker's Compensation Fund, State Controller's Office (SCO) pro-rata, and SCO apportionment.

The State economy continues to struggle in its recovery, showing lackluster improvements in consumer and investor spending, housing sector, and employment growth. Chapman University's economic forecasters predict a slow healing of the economy in 2012. Similarly, forecasters from the University of California, Los Angeles, project that faster growth is to be expected in a couple years. Despite the positive outlook, the Court remains cautiously optimistic in its future funding levels. Even if available State funds increase and become stable again within the next five years, the expectation is for the State to first restore funding to the areas of education and health and social services. Although further cuts to the Judicial Branch budget may be avoided, it is unlikely that funding will be restored soon.

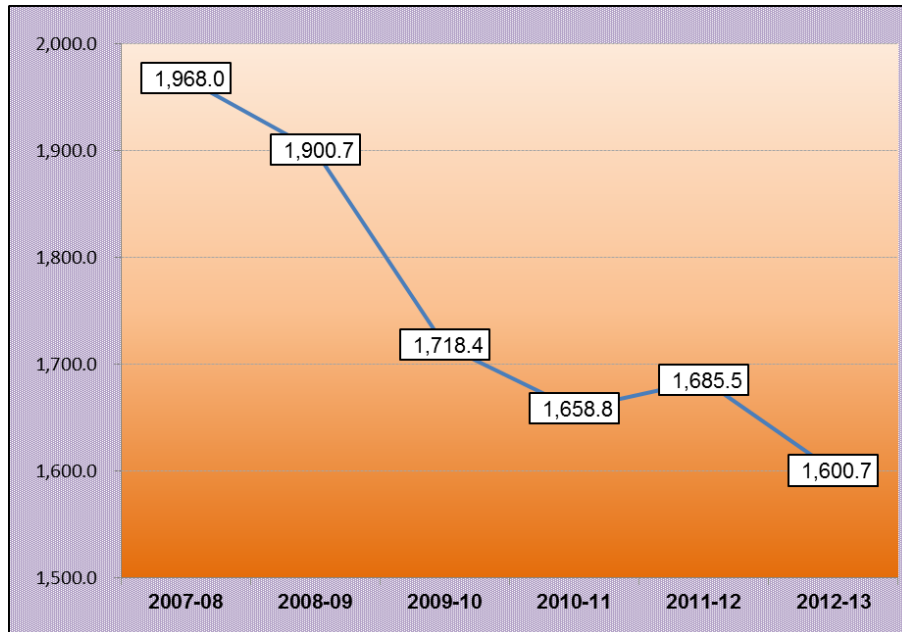
Lastly, as mentioned in a previous section, the Budget Act of 2012 put a restriction on maintaining reserve funds at a local level. This restriction is a universal challenge for all trial courts and will have a significant effect on how the Court will operate in the future.

Pivotal Issues Surrounding Court Budget

As funding decreases, the Court needs to adjust the base cost of its operation in order to balance its budget. Despite the reductions already made, the Court still needs to cut another \$34 million from its budget for next fiscal year. Since 79 percent of the Court's budget is spent on employee salaries and benefits, there are limited options for cost cutting without affecting staff levels.

Over the last several years, Court staff level has been dropping. Most employees left due to retirement and natural attrition, not through layoffs. Other efforts to reduce staffing levels with the least amount of impact to staff included voluntary separation incentive program, hiring freezes and holding positions vacant. However, even with a decrease of over 360 full-time equivalent positions, more position reductions are inevitable. This is especially true when the full effect of the budget cuts will be felt and the use of reserve is no longer an option to supplement and sustain the current expenditure plan.

Figure 6. Budgeted Staffing History in full-time equivalents (FTEs)



When the recession began in 2008, the Court was proactive in implementing reductions in staffing levels, processing work more efficiently, and modifying service delivery and expectations. These efforts resulted in annual cost savings that added to the Court's reserves, allowing the Court to set aside funding for projects. As the Court continues to operate with less staff and resources, the challenge remains on how to effectively manage the continuous influx of cases filed by litigants. Staff is already working at maximum capacity, and backlogs are inevitable. Similarly, if and when courtrooms are closed due to budget constraints, legal matters will stay in the court system longer before they can be resolved.

The use of reserve funds has always been a part of the Court's budgeting strategy. In the past, these funds allowed the Court to undertake special improvement projects that may not necessarily be considered basic day-to-day court operations. Examples include the purchase of electronic docket displays (an airport-type multi screens displays that shows hearing information in the public lobby), a remodel of secured custody cages in select courtrooms (to house in-custody defendants during court hearings), and facility improvement projects. In recent years, reserve funds have been used to fill the deficit gap and to ease the impact of reduced allocation on the Court's budget. This will no longer be possible after June 2014.

With the elimination of the ability for the Court to use and maintain local reserve funds, the Court must assess the opportunity cost of each new project and activity. With a finite amount of available funds, the decision to pursue one project will inevitably lead to the elimination of an equivalent expense. This is especially relevant in the case of facility improvement projects (e.g., install secured windows at public counters, refinish/refurbish public benches, and replace aging generators). Unlike in the past, project costs will have to be funded by yearly operating funds from now on instead of reserves.

Fortunately, the Court has been selected to participate in a three-year pilot program which delegates the maintenance of court facilities from the AOC beginning in October 2012. With an initial annual program budget of \$3 million, the Court has autonomy in planning and performing building preventative

and reactive maintenance and in responding to building emergencies. The Court intends to deliver cost-effective building services that will enable it to complete significantly more work than was performed by the previous building contractors with the same budget resources. The operating slogan for the pilot maintenance project is “Better, Faster, Cheaper,” which means that the Court intends to deliver higher quality services in a more timely manner at a lower cost.

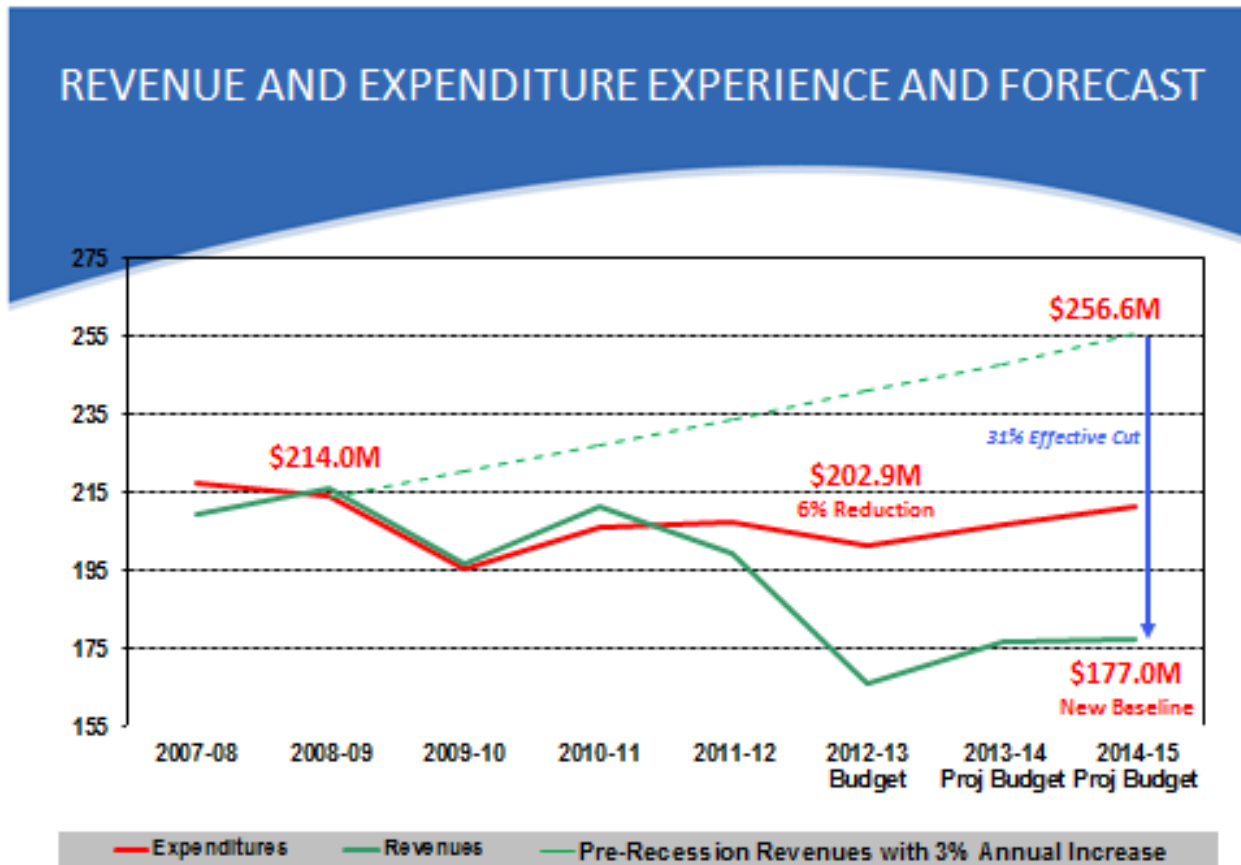
By the end of Fiscal Year 2013-14, the Court will not have any reserve funds to use for major purchases, such as the replacement of the case management system. As mentioned in a previous section, the cancellation of the CCMS project has forced the Court to consider if a significant amount of funds should be invested in the purchase of another system. This decision cannot be made lightly, for a proper and functional case management system is essential to court operations. In addition, the Court needs to set enough funds to address emerging and ongoing technology-related expenses.

Another issue that is pivotal to the Court’s budget is the costs related to employee retirements. This includes both the financial cost and organizational cost. Financially, the Court is responsible for part of the retiree’s pension premium, as well as contribution to retiree medical benefits. These costs are estimated to increase approximately 4 to 5 percent annually. Currently, over 38 percent of employees are close to or at retirement age. The financial impact to the Court’s budget can become significant as more and more eligible employees retire. At the same time, there is also an organizational cost when experienced workers leave the Court. They take with them institutional knowledge, skills and abilities that took years to build and nurture. Recruitment of high caliber employees to replace departing ones may be challenging in the future. The Court has less available funds for use to offer a competitive salary compensation package, especially for high level executive positions, to potential applicants. Also, the California Public Employee’s Pension Reform Act of 2013 has changed many pension provisions for future employees, rendering it less attractive to be a government employee. Both factors have the potential to deter talented and highly qualified people from working for the Court.

The following figure captures the essence of why a five-year strategic financial plan is needed. In the current fiscal climate, forecasting becomes essential to the decisions that need to be made today. Over the next few years, revenues are expected to drop to a historic low. Innovative and mindful planning efforts will be needed to allow the Court to respond and align expenditures accordingly.

As such, the MY Plan process will play a critical role in the strategic identification and implementation of projects that are best suited to meet the Court’s short-term, long-term, and strategic goals. But, projects alone will not enable closure of the gap. The Executive Team has been meeting regularly to discuss additional options for closing the gap including, but not limited to, structural changes in how the Court is operated and reductions in the workforce.

Figure 7. Revenue and Expenditure Experience and Forecast



FISCAL YEAR 2012-13 APPROVED MY PLAN PROJECTS

As the Court continues to navigate through this fiscal crisis, it will rely on the continued implementation of innovative ideas from every level of the organization. The MY Plan projects are essential to the long range efficiencies needed to reduce the Court’s budget on a more permanent basis.

Court managers and supervisors submitted 170 Concept Papers for executive review and prioritization. Initial review led to 9 Concept Papers being combined with other Concept Papers, resulting in a net total of 161 Concept Papers. Proposed projects that met the Court’s strategic objectives, had significant positive impact, and could realistically be implemented moved to the next stage of review. In total, 67 Concept Papers passed the initial review process, 65 were put in a pending status, and 29 were denied. Of the 67 that passed, 8 were eventually placed in a pending status, and 59 were resourced. With the fiscal impact of the 59 proposed projects identified, the Executive Team conducted a secondary review, the reprioritization. At the end of the reprioritization process, 19 MY Plan projects were approved for funding. Of these, 18 are scheduled to begin in Fiscal Year 2012-13 and the remaining project will begin in Fiscal Year 2013-14. Two Concept Papers became normal operational projects, and the remaining 38 Concept Papers were also put in a pending status. Table 4 is the list of approved MY Plan projects.

Table 4. List of Approved MY Plan Projects

Project name	2012-13 PROJECT BUDGET			TOTAL
	Direct labor hours	Salaries and benefits	Services and supplies	
Elder Self-Help Clinic	228	7,237	5,101	12,338
Jury System Imaging	225	12,685	112,369	125,054
ETL Developer for Financial Systems	2,088	-	151,000	151,000
Kiosk Implementation	480	62,844	28,422	91,266
Controlled Asset System Replacement	784	41,160	16,315	57,475
Money Mail Reconciliation	TBD	TBD	TBD	TBD
Minute Order Capture Tool	2,320	79,492	-	79,492
Electronic Interface for Online Copy Work Request	742	48,538	-	48,538
Emergency Mass Notification System	150	10,108	-	10,108
Exhibit Management System and Process Improvement	2,000	72,316	-	72,316
Name Search Fee	280	22,725	46,272	68,997
Merge WJC Small Claims	-	-	18,175	18,175
YouTube Videos	TBD	TBD	TBD	TBD
CRIS Video Remote Interpreting	425	8,538	56,375	64,913
ILJAO e-Citation	-	8,679	-	8,679
Jail Papers	385	26,402	-	26,402
Bail Forfeiture	230	13,219	-	13,219
Mobility Strategy - Courtwide IVR	10,440	-	328,000	328,000
SUBTOTAL - MY Plan Projects in the Fiscal Year 2012-13 Budget	20,777	413,943	762,029	1,175,972
RITS Upgrade / Replacement	-	-	-	-
TOTAL OF ALL PROJECTS APPROVED FOR FUNDING	20,777	413,943	762,029	1,175,972

Although the MY Plan project for the RITS Upgrade/Replacement has been approved, it is scheduled to begin in Fiscal Year 2013-14.

Each MY Plan project meets one of the five aforementioned Court strategic objectives: efficiency, accessibility, health and safety, accountability, and cost recovery. In addition, implementation is deemed fiscally responsible (from a five-year plan perspective) for these projects improve services to the public with minimal cost, achieve cost savings, or actually recover some of the cost of service for the Court. The following tables provide the project title, its strategic objective, project budget, net present value, and brief description for each approved MY Plan project.

The net present value (NPV) is used in capital budgeting to analyze the profitability of an investment or project. In the case of the Court, the NPV is used to analyze the value or worth of a particular project. The value of the dollar today is compared to the same dollar in the future, with inflation and returns taken into account. The higher the NPV, the higher the value is for the dollar and thus is more desirable. A negative NVP can be acceptable for the Court because the investment may be necessary to maintain business or improve efficiency. Therefore, it is not always expected that a project will provide a financial benefit.

Project name: Elder Self-Help Clinic	Strategic Objective: Accessibility	
MY Plan no.: 11O011	Budget: \$12,338	NPV: -\$18,479
Scope: An elder law clinic will be established to take advantage of the present willingness of Bet Tzedek and the Legal Aid Society of Orange County to partner and seek grants for this project.		

Project name: Jury System Imaging Component	Strategic Objective: Efficiency	
MY Plan no.: 11O015	Budget: \$125,054	NPV: -\$173,108
Scope: An imaging system will be created to scan and retain images of juror affidavit questionnaires and ancillary documents received from jurors (e.g. doctor's notes, correspondence). Documents will be linked to each juror's record in the jury management system in order to improve customer service through faster response times.		

Project name: ETL Developer for Financial Systems	Strategic Objective: Efficiency	
MY Plan no.: 11F051	Budget: \$151,000	NPV: -\$147,314
Scope: A software programmer will be retained to create better extract, translate, and load (ETL) functions and processes across multiple domains and case management systems, specifically in the area of revenue management.		

Project name: Kiosk Implementation	Strategic Objective: Accessibility; Efficiency	
MY Plan no.: 11F052	Budget: \$91,266	NPV: \$1,724,850
Scope: Kiosks will be installed inside and outside Court facilities to perform various tasks for Criminal and Traffic Operations such as enabling users to request extensions or reserve a court date and for Collections such as accepting cash and credit card payments.		

Project name: Controlled Asset System Replacement	Strategic Objective: Accountability; Efficiency	
MY Plan no.: 11F059	Budget: \$57,475	NPV: \$22,534
Scope: A commercially available off-the-shelf solution will be purchased to replace the current asset control system. The new system can be hosted either locally or offsite—at a low cost, should use better scanning equipment, and have a simpler user interface.		

Project name: Money Mail Reconciliation	Strategic Objective: Accountability	
MY Plan no.: 11F073	Budget: TBD	NPV: TBD
Scope: A program will be created to track and reconcile all incoming payments – for all case types – that come through the mail machine. Certain records need to be extracted from case management system and to create a database to track these payments.		

Project name: Minute Order Capture Tool	Strategic Objective: Efficiency	
MY Plan no.: 11O090	Budget: \$79,492	NPV: \$1,505,252
Scope: A set of menus will be created to decrease the time required to properly enter minute orders in the case management systems. The number of keystrokes required will be reduced and invalid entries will not be allowed. This will reduce clerical processing times and error rates.		

Project name: Electronic Interface for Online Copy Work	Strategic Objective: Accessibility	
MY Plan no.: 11O101	Budget: \$48,538	NPV: \$37,434
Scope: An interface will be developed and implemented that will enable customers to submit requests for copy work via the Internet. The interface will enable customers to view documents, order copies—including conformed copies, make payments, and receive the requested documents electronically.		

Project name: Emergency Mass Notification System	Strategic Objective: Health and Safety	
MY Plan no.: 11F121	Budget: \$10,108	NPV: -\$21,489
Scope: The existing disaster recovery system (DRS) website will be reprogrammed to provide tools for the efficient and timely uploading of data into the DRS.		

Project name: Exhibit Management System and Process Improvement	Strategic Objective: Efficiency; Accountability	
MY Plan no.: 11T131	Budget: \$72,316	NPV: \$451,898
Scope: An inventory system will be designed and implemented to enable Records Management staff to accurately maintain information regarding exhibits for all case types. System information will include the location of exhibits as well as dates that items can be returned or destroyed.		

Project name: Name Search Fee	Strategic Objective: Cost Recovery	
MY Plan no.: 11T133	Budget: \$68,997	NPV: \$2,797,247
Scope: A fee for on-line name searches in the Court’s case management systems will be calculated and implemented.		

Project name: Merge West Justice Center Small Claims	Strategic Objective: Efficiency	
MY Plan no.: 11O157	Budget: \$18,175	NPV: \$3,745,846
Scope: The Civil and Small Claims Unit within the West Justice Center, located in Westminster, will be moved and collocated with the existing unit at either the North Justice Center in Fullerton or the Central Justice Center in Santa Ana.		

Project name: YouTube Videos	Strategic Objective: Accessibility	
MY Plan no.: 11O007	Budget: TBD	NPV: TBD
Scope: YouTube videos will be created to address the most common reasons documents are rejected by the Court and to provide basic case flow information for each case type. Videos will be available for viewing in filing offices and Self-Help Centers within the Court or from anywhere via the Internet.		

Project name: CRIS Video Remote Interpreting (VRI)	Strategic Objective: Efficiency; Accessibility	
MY Plan no.: 11O009	Budget: \$64,913	NPV: -\$105,357
Scope: A VRI solution will be implemented to improve response times for interpreter services by decreasing the need for court interpreters to travel between the various justice centers.		

Project name: ILJAOC e-Citation	Strategic Objective: Efficiency	
MY Plan no.: 11T126	Budget: \$8,679	NPV: -\$12,956
Scope: An interface will be created between all local law enforcement agencies and the Court for the efficient and cost-effective transmission of traffic citation data into the Court's case management system.		

Project name: Jail Papers	Strategic Objective: Efficiency	
MY Plan no.: 11O089	Budget: \$26,402	NPV: -\$25,757
Scope: An interface will be created to connect the Court and the jail in order to transmit paperwork required for inmate remands or releases.		

Project name: Bail Forfeiture	Strategic Objective: Efficiency	
MY Plan no.: 11O148	Budget: \$13,219	NPV: -\$12,896
Scope: A procedure to delegate authority for the adjudication of selected low level misdemeanors (with routine outcomes) will be implemented to allow the public the option to take care of the matter over the counter or submit correspondence in lieu of appearing in Court. This will enhance service to the public and decrease the number of judicial hearings.		

Project name: Mobility Strategy - Court-wide Interactive Voice Response (IVR)	Strategic Objective: Accessibility; Efficiency	
MY Plan no.: 11T132	Budget: \$328,000	NPV: -\$541,815
Scope: Applications will be developed to enable Court users to access various Courts services using mobile devices such as tablet computers and smart phones. Multiple platforms (e.g. Apple, Android) will be supported. This will expand access to Court services beyond just an Internet website.		

Project name: RITS Upgrade/Replacement	Strategic Objective: Efficiency	
MY Plan no.: 11O097	Budget: \$101,880	NPV: -\$99,396
Scope: An enhanced tracking system, including an electronic check-in component, will be developed to assist with better utilization of reporter and interpreter resources and provide documentation of assignments. The new systems will also enable management to respond more quickly to the various requests for information from bench officers, executive management, and the AOC.		

CONSOLIDATED FIVE-YEAR FINANCIAL PLAN (Fiscal Years 2012-13 through 2016-17)

The following table shows the Court's Fiscal Year 2012-13 approved budget and current projection as well as the budget forecast for fiscal years 2013-14 through 2016-17. The table separates the resources required to complete MY Plan projects approved in Fiscal Year 2012-13 from the rest of the Court's budget. It also shows the estimated savings for the Court once MY Plan projects are fully implemented. It is expected that most of these savings will offset the Court's base operating expenditures. It should be noted that the \$6 million set aside for case management system replacement is still subject to approval. The project was included in the forecast as this could be the Court's final opportunity to invest in a critical component of its operations that will increase efficiency and reduce resource requirements on an ongoing basis.

This table also incorporates reduction strategies proposed by the Executive Team to close the gap in a manner that will have the least impact to public service. These strategies include a combination of both salary and benefits reductions along with additional reductions in the non-salary budget. It also includes some furlough savings which are one time in nature and cannot be sustained indefinitely.

Table 5. Consolidated Five-Year Forecast

CONSOLIDATED FIVE-YEAR FORECAST (including MY Plan activities)						
Fiscal Years 2012-13 through 2016-17						
	2012-13 Budget	2012-13 Projection	2013-14 Forecast	2014-15 Forecast	2015-16 Forecast	2016-17 Forecast
REVENUES AND REIMBURSEMENTS						
Base Allocation	104,539	104,539	119,580	119,580	119,580	119,580
State Revenue	11,334	12,201	12,330	12,835	12,835	12,835
State Reimbursements	24,717	23,420	23,092	23,292	23,392	23,492
Local Revenue	14,949	14,601	10,748	10,768	10,788	10,808
Local Reimbursements	10,716	10,704	10,315	10,315	10,315	10,315
Facilities Maintenance	2,230	2,230	2,973	2,973	-	-
Interest	200	175	100	15	15	15
TOTAL REVENUE	168,685	167,870	179,138	179,778	176,925	177,045
EXPENDITURES						
Salaries and Benefits	159,197	158,465	151,494	138,622	140,660	144,497
Security	1,034	1,015	1,100	1,100	1,100	1,100
Services and Supplies	29,881	27,660	27,863	28,317	29,094	26,122
Technology	8,589	8,240	7,959	7,719	5,029	5,129
Facilities Maintenance	2,230	2,230	2,973	2,973	-	-
SUBTOTAL - OPERATING EXPENSES	200,932	197,609	191,389	178,731	175,883	176,848
OPERATING SURPLUS/(DEFICIT)	(32,247)	(29,739)	(12,251)	1,047	1,042	197
MY PLAN ACTIVITIES						
CMS - Banner Replacement Costs	-	-	6,000	-	-	-
MY Plan Costs (S&EB and S&S) ¹	2,057	2,057	2,249	1,887	2,574	1,558
MY Plan Savings	-	-	-	(839)	(1,334)	(1,334)
SUBTOTAL - MY PLAN ACTIVITIES	2,057	2,057	8,249	1,048	1,240	224
TOTAL EXPENDITURES	202,988	199,666	199,638	179,779	177,123	177,072
GROSS SURPLUS/(DEFICIT)	(34,303)	(31,796)	(20,500)	(1)	(198)	(27)
FUND BALANCE ESTIMATES						
	2012-13 Budget	2012-13 Projection	2013-14 Forecast	2014-15 Forecast	2015-16 Forecast	2016-17 Forecast
BEGINNING FUND BALANCE	54,293	54,293	22,497	1,997	1,996	1,798
GROSS SURPLUS/(DEFICIT)	(34,303)	(31,796)	(20,500)	(1)	(198)	(27)
ENDING FUND BALANCE²	19,990	22,497	1,997	1,996	1,798	1,771

1. MY Plan salaries and benefits costs are not additional costs, but a subset of the Court's total salaries and benefits budget.

2. Beginning in Fiscal Year 2014-15, the Court can only retain 1% of its operating budget from the prior year. Amounts above the 1% will be returned to the State. Ending fund balance amounts reflect this change.

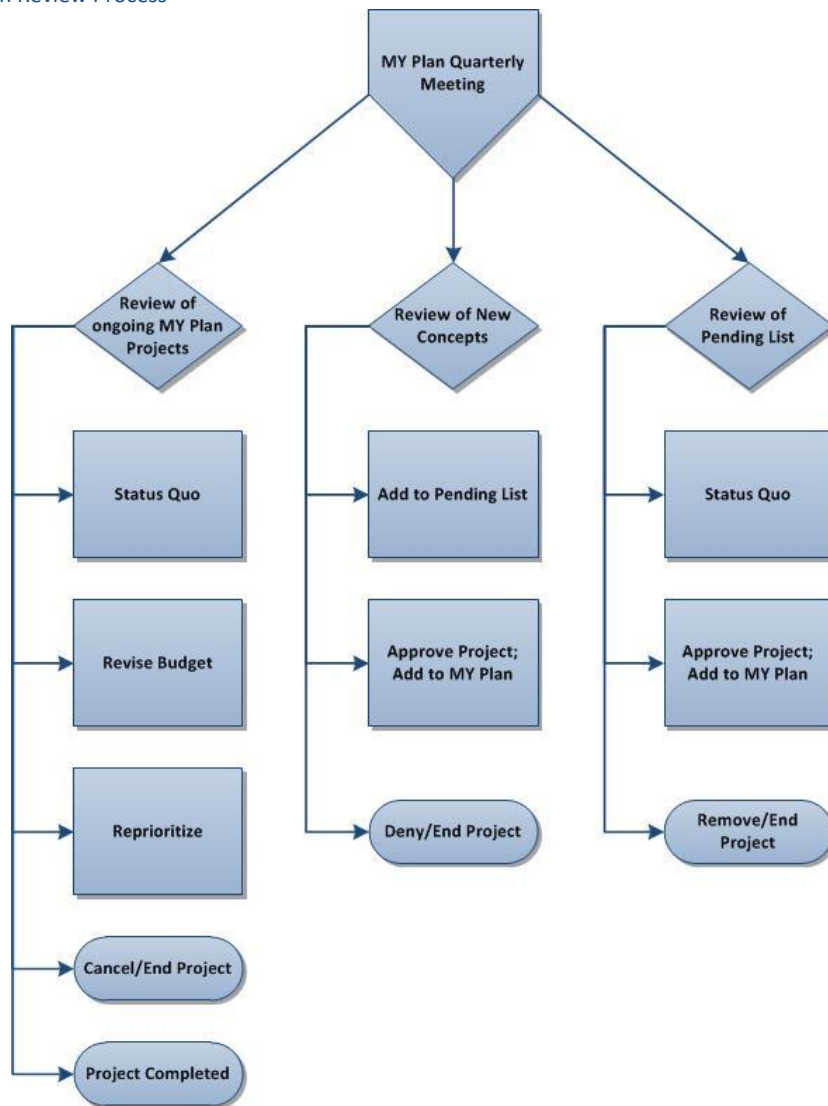
ONGOING MANAGEMENT OF MY PLAN

MY Plan is designed to thrive as a living document through continual reviews and updates. As such, the Executive Team meets quarterly to review the progress of ongoing projects, consider newly submitted Concept Papers, revisit the pending concept list, and reprioritize concepts and projects based on the Court’s current financial and operational situation.

Quarterly Meetings

Throughout the year, staff is encouraged to submit new ideas that will result in costs savings, process improvement, cost recovery, increased accountability or enhanced workplace and/or public safety. Upon executive approval, the new idea will formalize into a Concept Paper that is submitted for official review at the next quarterly meeting. The following figure details the types of review that will take place at each meeting.

Figure 8. MY Plan Review Process



Project managers for all ongoing MY Plan projects submit quarterly progress reports detailing project activities, achievements, expenditures, setbacks, challenges, and any proposed changes in scope or budget. The Executive Team uses the information to monitor these projects, and when necessary, make appropriate adjustments that best fit the needs of the Court at that time. During each quarterly meeting, all new Concept Papers are reviewed and categorized as: 1) Approved as a new MY Plan project; 2) Assigned to the Pending list; or 3) Denied. The Executive Team also revisits the Pending list every quarter to determine if any concepts are ready to become a MY Plan project.

Periodic Updates to MY Plan

Decisions made at each quarterly meeting are promptly incorporated into MY Plan. Timely updates are essential, especially if the allocation of financial and labor resources has changed. New MY Plan projects and their respective budgets will be added to the five-year financial plan, and any adjustments (increase or decrease of resources) to existing projects will also be incorporated. MY Plan will only be successful if it is up-to-date and relevant.

Continual Improvement to MY Plan Process

MY Plan planning efforts undertaken during the past year yielded significant progress in moving the Court towards engaging in a multi-year strategic plan that takes into account resource allocation and long-term budgeting. Yet, the work is not complete. Room for improvement exists, and the Court will continue to evaluate areas that can be further enhanced to allow for a better planning process. A primary area that warrants additional work is the current time span of MY Plan. MY Plan is supposed to forecast five years into the future, through Fiscal Year 2016-17, and allow the Court to strategize how to spend resources. As it stands today, MY Plan reflects a financial plan that spans only two years. In the next several months, the Court will work on formulating MY Plan activities for year three through year five, and making MY Plan a true five-year strategic financial plan.

Another area to improve is the labor bank. The method used to calculate the labor bank, or labor hours available for projects, did not yield the anticipated constraints. The initial thought was to include all available project hours for each employee in the labor bank, and as new projects are approved, project managers would then make a request to make a withdrawal of hours from the labor bank to resource their projects. The assumption was that every employee will have time available for projects, and that everyone within the same job classification would be able to give the same percentage of available hours. For instance, all Legal Processing Technicians will dedicate two percent of their time to projects. Hence, each will add 41.5 hours to the labor bank. This simple assumption failed to take into consideration that not every employee has available time and capacity, the correct skillset, or the knowledge and ability to work on special projects. Thus, this initial MY Plan effort did not model constraints of labor due to incorrect input of hours into the labor bank. In the future, only hours for employees who are project-ready with appropriate skillsets (e.g., project management experience, technical programming language skills, technical writing ability, and user acceptance testing experience) will be included.