



## JUDICIAL COUNCIL OF CALIFORNIA

455 Golden Gate Avenue • San Francisco, California 94102-3688  
Telephone 415-865-4200 • Fax 415-865-4205 • TDD 415-865-4272

TANI G. CANTIL-SAKAUYE  
*Chief Justice of California*  
*Chair of the Judicial Council*

MARTIN HOSHINO  
*Administrative Director*

March 6, 2015

Ms. Elaine M. Howle  
California State Auditor  
621 Capitol Mall, Suite 1200  
Sacramento, California 95814

Dear Ms. Howle:

Please find enclosed a copy of the Judicial Council of California's 60-day response to the January 7, 2015, audit report by your office – Report 2014-107.

### **Fully Implemented Recommendations**

Sufficient analysis was available for the Judicial Council to take immediate action on several of the recommendations. These are summarized below:

- Policies or procedures were adopted or amended to:
  - Require regular and thorough review of employee compensation and classification structures;
  - Limit the time for use of contractors, similar to the practice for agency temporary workers;
  - Reflect the requirement for a cost-benefit analysis for agency temporary and contract workers; and
  - Conduct a quarterly reconciliation of records to validate the primary locations of employees with respect to geographic salary differentials.
- Employer payment of the employee share of retirement contributions for 11 executive level employees was eliminated.

Ms. Elaine M. Howle

March 6, 2015

Page 2

- The option for eight office directors to receive reimbursement for parking at their office headquarters was eliminated.
- Leave buy back was suspended for fiscal years 2014–2015 and 2015–2016 to properly analyze how this option is used. After that time, the council will continue to review buy-back programs being offered by the executive branch and trial courts in considering the value and benefit of a buy-back program to the organization and the branch.
- The decision was made to eliminate one-third (22) of 66 fleet vehicles. Centralized criteria and internal controls are being developed and will be applied retroactively for further analysis of the remaining fleet.

The full 60-day progress report contains more detail on these actions.

### **Supporting Documentation**

The requested supporting documentation is enclosed. Those documents are:

1. Amended Judicial Council Personnel Policy 3.3, Job Categories.
2. Amended Judicial Council Personnel Policy 3.4, Classification and Compensation Management Program.
3. Amended Judicial Council Personnel Policy 4.2, Geographic Salary Differentials.
4. Reconciliation procedure for employees' primary work location.

### **Timetable**

Work is under way to address the remainder of the findings and recommendations from the audit, some subparts of which are already completed. The 60-day response provides tentative implementation timeframes for all recommendations, particularly for the recommendations in chapters 3 and 4 of the audit report. As we conduct further analysis to inform direction and decisions, we will assess the ability to accelerate action or make refinements, as needed.

The Judicial Council is committed to bringing all of the issues identified by the audit to resolution in a timely manner, and ensuring that organizational and judicial branch needs are properly aligned. We appreciate the opportunity to provide this early progress report and will continue to follow through on implementation of the remaining recommendations.

Sincerely,



Martin Hoshino  
Administrative Director

MH/tc

Enclosures

**California State Auditor Recommendations - Report 2014-107  
Judicial Council of California 60-Day Status Response, March 6, 2015**

Rec. #	California State Auditor Recommendation	Judicial Council Response	Reporting Implementation Status As...
1.	<p>To ensure the compensation the AOC provides is reasonable, the Judicial Council should adopt procedures that require a regular and thorough review of the AOC's compensation practices including an analysis of the job duties of each position to ensure that the compensation aligns with the requirements of the position. This review should include comparable executive branch salaries, along with a justification when an AOC position is compensated at a higher level than a comparable executive branch position.</p>	<p>An independent organization-wide classification and compensation study was initiated in 2014 based on recommendations of the Strategic Evaluation Committee appointed by the Chief Justice and a subsequent Judicial Council directive. The study will be completed in the second quarter of 2015.</p> <p>Procedures requiring regular and thorough review of compensation practices were adopted and modified, effective February 19, 2015. The policy now outlines a process to establish a new classification and includes an annual reporting requirement to the Judicial Council governing body of changes to the classification and compensation structure.</p> <p>The policy also requires that compensation levels remain appropriate and competitive with the executive branch as well as other comparable labor markets such as trial courts, cities, and counties.</p> <p>(Judicial Council Personnel Policy 3.4, <i>Classification and Compensation Management Program</i>, is submitted as supporting documentation.)</p>	Fully implemented
2.	<p>Cease paying for employees' share of retirement contributions.</p>	<p>This benefit was eliminated for 11 executive level employees identified by the CSA audit. We reported this to the Judicial Council on February 19, 2015. The benefit change will be processed effective July 1, 2015. (The Judicial Council ceased paying new executive level employees' share of retirement benefits back in October 2012.)</p>	Fully implemented

**California State Auditor Recommendations - Report 2014-107  
Judicial Council of California 60-Day Status Response, March 6, 2015**

3.	Mirror the executive branch’s practices for offering leave buyback programs in terms of frequency and amount.	<p>In fiscal year 2013–2014, leave buy back for Judicial Council staff was consistent with the executive branch’s program. The executive branch’s approach is routinely considered by the judicial branch, among other considerations, in evaluating a leave buy-back option.</p> <p>Effective February 19, 2015, the Judicial Council suspended leave buy back for the 2014–2015 and 2015–2016 fiscal year budget cycles to allow for a full analysis of the council’s operating budget and how leave buy back is used in relation to the overall budget. At the conclusion of this period, and on an ongoing basis, the council will continue to review buy-back programs being offered by the executive branch or trial courts in considering the value and benefit of a buy-back program to the organization and the branch.</p>	Fully implemented
4.	To increase its efficiency and decrease its travel expenses, the AOC should require its directors and managers to work in the same locations as the majority of their staff unless business needs clearly require the staff to work in different locations than their managers.	Council staff is reviewing existing work locations for managers and directors as compared to their staff to determine if there are opportunities for improved efficiencies relative to location and travel. Additionally, council staff will consider this issue with future hires. Council staff anticipates completing the analysis and response for the third quarter of 2015. A response may also be impacted by the results of the classification and compensation study and outcomes from the Auditor-recommended cost-benefit analysis of moving operations to Sacramento.	Not fully implemented
5.	To ensure that it pays its employees the appropriate salaries for the locations in which they spend the majority of their work hours, the AOC should follow its policy to periodically	Effective February 19, 2015, Judicial Council Personnel Policy 4.2, <i>Geographic Salary Differentials</i> , was modified to require Human Resources to conduct a quarterly reconciliation of each employee’s primary	Fully implemented

**California State Auditor Recommendations - Report 2014-107  
Judicial Council of California 60-Day Status Response, March 6, 2015**

	verify that salary differentials are based on an employee's actual work location.	work location. Additionally, at the beginning of each fiscal year, office leadership will be required to provide Human Resources with each employee's primary work location. A reconciliation of employees' work locations identified a total of five discrepancies. These data entries were corrected in September 2014. (Policy 4.2 and the Human Resources reconciliation procedure are submitted as supporting documentation.)	
6.	To justify maintaining its headquarters in San Francisco and its additional space in Burbank, the AOC should conduct a thorough cost-benefit analysis of moving its operations to Sacramento. If the analysis determines that the financial benefits of consolidating its operations outweigh the costs of such a move, the AOC should begin the process of relocating.	Council staff is gathering pertinent facilities, lease, human resources and market data. This will be completed in the second quarter of 2015.	Not fully implemented
7.	Implement a policy that requires it to conduct a cost-benefit analysis for using temporary workers, contractors, or consultants instead of state employees before employing temporary workers, contractors or consultants to do the work of AOC employees.	Judicial Council Personnel Policy 3.3— <i>Job Categories</i> was modified to include a requirement that prior to retaining a temporary worker council staff must conduct both a cost-benefit and critical-need analysis. "Temporary worker" includes temporary agency workers and independent contractors. The policy includes an annual reporting mechanism to the Judicial Council. Guidelines for conducting the cost benefit analysis are being developed and will be applied retroactively to existing temporary agency and independent contractors. (Policy 4.2 is submitted as supporting documentation.) We anticipate that this recommendation will be fully implemented in the third quarter of 2015.	Not fully implemented

**California State Auditor Recommendations - Report 2014-107  
Judicial Council of California 60-Day Status Response, March 6, 2015**

8.	Follow its AOC policies and procedures limiting the period of time it can employ temporary workers, and develop a similar policy to limit the use of contractors to a reasonable period of time, but no more than one year.	Judicial Council Personnel Policy 3.3– <i>Job Categories</i> was amended to specify that temporary agency workers may not exceed six-months in duration, and independent contractors may not exceed one year in duration unless preapproved by the Chief Administrative Officer and/or Administrative Director. To ensure that the Judicial Council has adequate information, the policy includes an annual reporting mechanism to the governing body for any exceptions. (Policy 3.3 is submitted as supporting documentation.)	Fully implemented
9.	Conduct a cost-benefit analysis for maintaining its pool of vehicles. If the analysis finds that the cost of maintaining the vehicles outweighs the costs of having its employees use other means of transportation, such as their personal vehicles, the AOC should reduce the number of vehicles it owns and leases. Also, the AOC should track and periodically inventory the vehicles in its fleet.	Council staff identified 22 (one-third) of its 66 fleet vehicles to be eliminated based on an assessment drawing, in part, on Department of General Services policies on fleet vehicles as well as an assessment of vehicle mileage and the number of vehicles at each work location.  A fleet vehicle policy that will include internal control guidelines on conducting a cost-benefit analysis prior to acquiring a vehicle as well as an inventory tracking process is being developed. The guidelines will be used to analyze the remaining fleet inventory, (which is principally supporting personnel responsible for statewide court facility maintenance in all 58 counties and court construction projects), to determine if additional reductions are warranted. The analysis will be completed and any further changes implemented in the third quarter of 2015.	Not fully implemented
10.	Cease reimbursing its office directors for parking at their headquarters by adopting the executive branch’s parking reimbursement policies.	This benefit was eliminated and reported to the Judicial Council on February 19, 2015. The benefit change will be processed effective July 1, 2015.	Fully implemented

**California State Auditor Recommendations - Report 2014-107  
Judicial Council of California 60-Day Status Response, March 6, 2015**

11.	Cease its excessive reimbursement for meals by adopting the executive branch's meal and travel reimbursement policies.	Because travel reimbursement and reimbursement for meals held on-site at Judicial Council office locations is already consistent with executive branch reimbursement rates, staff is conducting an analysis confined to the different meal reimbursement rate for offsite events for judges and court staff attending meetings or educational/training programs and the potential impact any changes would have on hotel contracts that generally factor meeting room rental costs into meal costs. Council staff anticipates completing the analysis in the third quarter of 2015.	Not fully implemented
14.	To ensure it spends funds appropriately, the AOC should develop and implement controls to govern how its staff can spend judicial branch funds. These controls should include specific definitions of local assistance and support expenditures, written fiscal policies and procedures the rules of court require, and a review process.	In consultation with the Trial Court Budget Advisory Committee, council staff is updating staff guidelines regarding appropriate uses for Trial Court Trust Fund and Trial Court Improvement and Modernization Fund monies consistent with the audit recommendations. This will include an annual training requirement for staff on use of the guidelines. Council staff anticipates completing the initial guidelines in the third quarter of 2015.	Not fully implemented
15.	The Judicial Council should develop rules of court that create a separate advisory body, or amend the current advisory committee's responsibilities and composition, that reports directly to the Judicial Council to review the AOC's state operations and local assistance expenditures in detail to ensure they are justified and prudent. This advisory body should be composed of subject matter experts with experience in public and judicial branch finance.	Rules of Court are being reviewed to ascertain if changes are needed to assign oversight responsibility for Trial Court Trust Fund and Trial Court Improvement and Modernization Fund expenditures to the Trial Court Budget Advisory Committee and for the council's Executive and Planning Committee to assume oversight for all other Judicial Council expenditures. If rule amendments are required, changes will be made consistent with the council's rulemaking process and timeframes.	Not fully implemented

**California State Auditor Recommendations - Report 2014-107  
Judicial Council of California 60-Day Status Response, March 6, 2015**

17.	To increase transparency, the Judicial Council should conduct a more thorough review of the AOC's implementation of the evaluation committee's recommendations by more closely scrutinizing the actions the AOC asserts it has taken to complete directives.	An open meeting of the Judicial Council Executive and Planning Committee is scheduled for March 12-13, 2015, to review all completed Strategic Evaluation Committee recommendations/Judicial Council directives. We expect to have fully implemented this recommendation in the third quarter of 2015.	Not fully implemented
18.	To make the AOC's budget more understandable, the JC should require the AOC to report its budget in a more understandable and transparent manner, and in a manner that readily allows stakeholders and the public to know the full amount of the AOC's spending. Further, the JC should require the AOC to prepare and make public a high-level summary of how the judicial branch's budget relates to the appropriations from the State's budget.	Working with the Trial Court Budget Advisory Committee, and in consultation with the Department of Finance, council staff is evaluating options to more clearly display the council's budget to stakeholders and the public, and to prepare a high-level summary of how the budget relates to the appropriations from the State budget. We anticipate that this recommendation will be fully implemented in the first quarter of 2016.	Not fully implemented
19. 20. 22.	<p><u>Chapter 3</u></p> <p>The AOC should conduct a comprehensive survey of the courts on a regular basis – at least every 5 years – to ensure the services it provides align with their responses. The AOC should re-evaluate any services that courts identify as being of limited value or need.</p> <p>To justify its budget and staffing levels, the AOC should conduct the steps in CalHR's workforce planning model in the appropriate order. It should begin by establishing its mission and creating a strategic plan based on the needs of the courts. It should then determine the services it should provide to achieve the goals of that plan. The AOC should base its future</p>	<p>We view the audit recommendations in Chapter 3 and Chapter 4 as closely interrelated and are, therefore, providing a combined response on those recommendations.</p> <p>CalHR's workforce planning model is an important succession planning tool for management to build a sustainable workforce. However, we believe that a broader organizational assessment will better address the intent of the recommendations in chapters 3 and 4, and ensure that council business is conducted efficiently and effectively while providing needed services to all stakeholders.</p> <p>The organizational assessment will incorporate components of the Auditor's recommendations with</p>	Not fully implemented



**California State Auditor Recommendations - Report 2014-107  
Judicial Council of California 60-Day Status Response, March 6, 2015**

	<p>staffing changes on the foundation provided CalHR’s workforce planning model. Finally, the AOC should develop and use performance measures to evaluate the effectiveness of this effort.</p> <p><u>Chapter 4</u> To ensure that it provides services to the trial courts in the most efficient manner possible, the Judicial Council should explore implementing a fee-for-service model for selected services. These services could include those that are little used or of lesser value to the trial courts, as identified in our survey that we discuss in Chapter 3.</p> <p>To justify the budget and staff of the AOC, the Judicial Council should implement some or all of the best practices we identified to improve the transparency of AOC spending activities. (Table 16 identifies the best practices)</p> <p>Establish customer needs Develop a strategic plan Identify necessary work functions based on customer needs Conduct workload analysis Create, track and monitor performance measures Adopt performance-based budgeting Make budget and expenditures available to the public</p>	<p>additional grounding in industry standard models set forth by the American Society for Public Administration and the Baldrige National Quality Program from the National Institute of Standards and Technology.</p> <p>The assessment will be conducted to:</p> <ol style="list-style-type: none"> <li>1. Identify stakeholders needs;</li> <li>2. Develop a strategic plan to meet those needs; and</li> <li>3. Develop performance measures that will allow management to determine success toward completing the strategic plan objectives.</li> </ol> <p>This approach generally will follow the sequence set out below as certain elements depend on the completion of others:</p> <p>Step 1:</p> <ol style="list-style-type: none"> <li>a) Conduct a comprehensive survey of the courts on a regular basis—at least every 5 years—to ensure the services it provides align with their responses. Re-evaluate any services that courts identify as being of limited value or need. (Chapter 3, recommendation 1.)</li> <li>b) Establish customer needs. (Best practice identified in Chapter 4, recommendation 2.)</li> </ol> <p>Step 2:</p> <ol style="list-style-type: none"> <li>a) Identify necessary work functions based on customer needs. (Best practice identified in Chapter 4, recommendation 2.)</li> <li>b) Establish its mission and create a strategic plan based on the needs of the courts and determine the services it should provide to achieve the goals of that plan. (Chapter 3, recommendation 2).</li> </ol>	
--	---	---	--

**California State Auditor Recommendations - Report 2014-107  
Judicial Council of California 60-Day Status Response, March 6, 2015**

		<p>Step 3: Conduct workload analysis. (Best practice identified in Chapter 4, recommendation 2.)</p> <p>Step 4:</p> <p>a) Create, track, and monitor performance measures. (Best practice identified in Chapter 4, recommendation 2.)</p> <p>a) Evaluate performance-based budgeting for adoption. (Best practice identified in Chapter 4, recommendation 2.)</p> <p>Step 5: Develop and implement a protocol to calculate future staffing needs and changes based on workload analysis. (Chapter 3, recommendation 2.)</p> <p>Step 6: Periodically evaluate organizational effectiveness using performance measures. (Chapter 3, recommendation 2.)</p> <p>We anticipate implementation completion as follows:          Step 1: Second quarter of 2016          Step 2: First quarter of 2017          Step 3: Second quarter of 2017          Step 4: Second quarter of 2017          Step 5: Fourth quarter of 2017          Step 6: Ongoing periodic evaluation</p>	
21.	Explore implementing a fee-for-service model for selected services. These services could include those that are little used or of lesser value to the trial courts, as identified in the survey in Chapter 3.	Once the customer service survey of the courts has been completed and a strategic plan finalized, we will then evaluate the potential of implementing a fee-for-service model. We anticipate that this will be completed in the second quarter of 2017.	Not fully implemented

Policy Number: 3.3

Title: Job Categories

Contact: Human Resources, [Payroll and Benefits Administration Unit](#)  
Human Resources, [Classification and Compensation Unit](#)  
Finance, [Office of Accounting and Business Services](#)

**Policy**

**Statement:** The Judicial Council classifies employees as (1) regular or limited-term (temporary), (2) full-time, part-time, or intermittent, and (3) exempt or nonexempt from federal overtime law. Independent contractors and agency workers are not Judicial Council employees.

**Contents:**

- (A) Purpose of Policy
- (B) Regular and Limited-Term (Temporary) Employment
  - (1) Regular Status
  - (2) Limited-Term (Temporary) Status
- (C) Time Base
  - (1) Full Time
  - (2) Part Time
  - (3) Intermittent
- (D) Exempt and Nonexempt Status
- (E) Other Temporary Workers
  - (1) Temporary Agency Workers
  - (2) Independent Contractors or Outside Consultants
  - (3) Annual Reviews

**(A) Purpose of Policy**

This policy sets forth the employment classifications to guide employees about their employment status and benefit eligibility.

**(B) Regular and Limited-Term (Temporary) Employment**

**(1) Regular Status**

Regular employees are those employees in Judicial Council positions that receive renewed funding each fiscal year.

**(2) Limited-Term (Temporary) Status**

Limited-term employees (also known as temporary employees) are hired by the Judicial Council for a particular project or for a limited duration. Funding for this type of position is generally scheduled to end on the last day of the fiscal year, or the appointment may be authorized only for a specific period of time. Some limited-term positions may be extended beyond the initial expiration date if funding is available.

Other categories of temporary employment include the following:

- “Special consultant,” “graduate student assistant,” and “student assistant” are specifically designated temporary classifications (the special consultant classification is generally applied to individuals who work on special projects that require particular expertise). Appointment to these positions is limited to a specific period of time, which is typically the length of a project or, in the case of graduate student assistants and student assistants, through the end of a school term.
- Retired persons may return to work as “retired annuitants” on a temporary basis as long as they do not work beyond 960 hours in any fiscal year. For more information about requirements and restrictions on the appointment of retired annuitants, please refer to Policy 3.11(B).

Limited-term employees may not be eligible for certain benefits. For more information about eligibility for benefits, please refer to Employee Benefits, Chapter 6.

### **(C) Time Base**

In addition to having a regular or limited-term status, all employees are designated with a full-time, part-time, or intermittent time base.

#### **(1) Full Time**

“Full time” means that the employee is scheduled to work a minimum of 40 hours per week.

#### **(2) Part Time**

“Part time” means that the employee is scheduled to work less than 40 hours per week. The term “ratio to full time” is used to describe a part-time employee’s time base and refers to percentage of time, relative to a full-time schedule, that an employee is regularly scheduled to work. Examples of less than full-time employment include four-fifths time, half time, etc. An individual who is scheduled to work less than half time may not be eligible for certain benefits. For more information about eligibility for benefits, please refer to Employee Benefits, Chapter 6.

#### **(3) Intermittent**

“Intermittent” means that the employee has no established work schedule and works on an “as-needed” basis. The number of hours that an intermittent employee works often varies from one pay period to the next. Cumulative hours for intermittent employees must not exceed 1,500 per calendar year. Eligibility for certain benefits may be limited for intermittent employees; please refer to Employee Benefits, Chapter 6 for more information.

### **(D) Exempt and Nonexempt Status**

“Exempt employees” are employees who are classified by the Judicial Council as exempt from the overtime provisions of the federal Fair Labor Standards Act (FLSA). “Nonexempt

employees” are employees who are eligible to be compensated for overtime work in accordance with the FLSA. Overtime pay provisions are set forth in [Hours of Work, policy 4.4](#).

### **(E) Other Temporary Workers**

Temporary agency workers or independent contractors (also known as outside consultants) may be retained by the Judicial Council on a temporary basis. All requests for temporary workers, including temporary agency workers and independent contractors, require: 1) a thorough analysis to ensure that the worker is considered critical and essential; and 2) a cost benefit analysis that the worker is needed in order to perform work that cannot be deferred or otherwise addressed. Temporary agency worker assignments may not exceed six months in duration and independent contractor assignments may not exceed one year in duration unless pre-approved by the Chief Administrative Officer and/or Administrative Director.

In comparing the costs and benefits of using a temporary worker versus hiring an employee, the analysis must include:

- The costs of salaries and benefits versus the bill rate of a particular contractor or consultant;
- The cost of procurement through recruitment advertising versus requests for proposals, taking into consideration the available labor force within a particular area;
- The cost of additional space, equipment, and materials needed to perform the function;
- An evaluation of one-time costs and ongoing, continuing costs associated with each option;
- The development of a savings horizon using a one, five, or ten-year timeframe. If an applicable timeframe relevant to a specific project timeline exists, that period can be used in lieu of the scenarios above; and
- Identification of any potential impacts that the staffing need may have on cost savings, avoidances, or revenue increases.

#### **(1) Temporary Agency Workers**

Human Resources maintains contracts with approved temporary employment agencies to provide short-term support. The duration of a temporary agency worker is dependent upon the purpose of the assignment.

The Chief Administrative Officer may grant exceptions to the duration limitation for temporary agency workers for extreme circumstances affecting or impacting critical operations.

For more information on retaining a temporary agency worker, please refer to [Temporary Agency Policies and Procedures](#).

#### **(2) Independent Contractors or Outside Consultants**

These individuals are employed by an outside firm, are self-employed, or are a group of individuals established as a business to provide expertise and services in a specialized field. Consultants and independent contractors are procured through a request for proposals process in compliance with provisions of the [Judicial Branch Contracting Manual](#). They provide services or advice, as outlined in the scope of

work, during the timeframe identified in the agreement.

Some contractors may augment the work of the Judicial Council for a limited period of time when a particular skill set is required. These types of individuals often work directly under the project manager's supervision.

Other contractors or consultants may perform services or provide advice in support of Judicial Council initiatives and programs and are often self-directed in order to deliver the solution that meets the client's needs. Consultants often assist management in offering advice or proposing solutions. For more information about the requirements governing these types of consultants, please refer to the [Judicial Branch Contracting Manual](#).

The Judicial Council may retain contractors or consultants in the following circumstances:

- Service is for a new Judicial Branch function and the Judicial Council of California has mandated or authorized the immediate performance of the work;
- The work needing completion cannot be performed satisfactorily by current Judicial Council staff, or is of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the current Judicial Council classification and compensation system;
- The legislative, administrative, or legal goals and purposes cannot be accomplished through the use of current employees in order to protect against a conflict of interest or to ensure independent and unbiased findings in cases where there is a clear need or direction for a different, outside perspective;
- The contractor will provide equipment, materials, facilities, or support services that cannot feasibly be provided by the Judicial Council in the location where services are needed;
- The contractor will conduct training courses or conduct speaking engagements for which appropriately qualified employees are not available;
- The services are of such an urgent, temporary, or occasional nature that the delay of their implementation would frustrate their very purpose.

An independent contractor must satisfy IRS regulations defining independent contractor status.

### **(3) Annual Reviews**

All contracted engagements must be thoroughly re-evaluated on an annual basis for progression on scope of work, adherence to original timeframes, continuing need for the position, and original funding projections by Office Leadership, Finance, and the Executive Office. If it is determined that an extension is required to meet the needs of the project lifecycle, the extension may be granted by the Administrative Director and agreements may be amended to ensure that a project is successfully completed.

On an annual basis, a report identifying the outcomes of the annual review of temporary workers will be submitted to the Judicial Council.

Temporary agency workers and independent contractors or consultants are not Judicial Council employees. If such workers are interested in employment with the Judicial Council,

they must follow the guidelines for external applicants as outlined in [Hiring, policy 3.1\(A\)](#).

Policy Number: 3.4

Title: Classification and Compensation Management Program

Contact: Human Resources, [Classification and Compensation Unit](#)

**Policy**

**Statement:** Judicial Council positions are grouped into classifications based on duties, responsibilities, and qualifications.

**Contents:**

- (A) Job Classifications
- (B) Designation of Management Classifications and Offices/Organizational Units
- (C) Classification and Compensation Review
  - (1) Classification Reviews
  - (2) Compensation Reviews
- (D) Establishing a New Classification
  - (1) Initial Review
  - (2) Final Review and Approval
  - (3) Classification Specification
  - (4) Setting Salary Range
- (E) Annual Reporting

**(A) Job Classifications**

The Judicial Council's classification and compensation management program is designed to ensure that positions are properly classified based on the level and scope of both the duties performed and responsibilities assigned, and the qualifications required to competently perform the job. Positions are grouped into classifications consistent with their duties, responsibilities, and required qualifications. Each classification is generally described in Classification Specifications attached to the [Judicial Council Salary Listing](#).

The Classification Specifications list the [minimum qualifications \(MQs\)](#) for the position, including education, experience, and, where necessary for the position, professional licenses or certifications. Because of the unique knowledge gained through relevant work experience within the judicial branch, such work experience may be given additional weight in meeting MQs.

**(B) Designation of Management Classifications and Offices/Organizational Units**

In addition to the criteria outlined in the Classification Specifications, the Administrative Director has the authority to designate:

- Individual positions to management classifications based on the scope and criticality of the position;
- Certain offices as requiring oversight at the Director level; and
- Certain organizational units as requiring oversight at the Principal Manager, Manager, or Supervisor level.



Designations of individual positions to management classifications will consider factors such as the political sensitivity of programs managed, frequent, high-level interaction with the Chief Justice of California, the Advisory Committees of the Judicial Council, Executive Management of the Department of Finance, California Department of Human Resources, California Institute of Technology, the Legislature, Presiding Judges, Court Executive Officers, and/or other high ranking officials, oversight of contract staff with responsibility for significant resources, or other criteria deemed critical to the operations of the Judicial Council.

Offices and organizational units will be designated based on factors such as political sensitivity, depth and scope of services provided, visibility of the office within the judicial branch, size of total workforce and significance of resource oversight.

### **(C) Classification and Compensation Review**

From time to time, the Judicial Council conducts classification and compensation reviews for reasons that include:

- Determining the duties and responsibilities of newly created positions;
- Clarifying the relationship between and among positions;
- Ensuring that positions are properly classified;
- Revising classifications to conform with changes in the Judicial Council's organizational structure or business needs;
- Preparing for recruitment; and
- Ensuring the organization has a competitive compensation structure.

#### **(1) Classification Reviews**

When the need arises, a supervisor or manager, with the approval of office leadership and the Division Chief, may request that Human Resources, Classification and Compensation Unit, review a position, a classification, or a [class series](#) by submitting a [Classification Review Request Form](#). The review will consider, among other things, (1) any significant changes in fundamental job duties and when they occurred, and (2) the business reasons for the change. The Classification and Compensation Unit will review and make a recommendation, which may include adding or removing certain job duties, restructuring the job, or reclassifying the position (lateral, upward, or downward). The classification or reclassification of positions will become effective on the date approved in accordance with the PAR process.

Offices shall not independently make changes to fundamental job duties. Offices must consult with the Classification and Compensation Unit, before proposing any changes, to ensure that positions remain properly classified.

#### **(2) Compensation Reviews**

Compensation reviews will be conducted based on organizational needs as a result of

recruitment/retention and modified organizational functions. Compensation levels will be reviewed to ensure that they align with the requirements of the position and remain appropriate and competitive with the executive branch as well as other comparable labor markets such as trial courts, cities, and counties.

**(D) Establishing a New Classification**

When the need arises, it may be determined that a new classification is necessary for the Judicial Council.

**(1) Initial Review**

If the office leadership believes that a new classification is needed, they should first engage with their Division Chief and discuss the business need for the new classification. If the Division Chief agrees that an existing classification cannot be used and a new classification is needed, the office leadership must submit the necessary justification paperwork to the Classification and Compensation Unit in Human Resources.

**(2) Final Review and Approval**

The Classification and Compensation Unit will review the request and determine if the body of work described is already captured in an existing classification. If the Classification and Compensation Unit is unable to identify an existing classification in which incumbents could perform the body of work needed, it will refer the matter to the Chief Administrative Officer.

**(3) Classification Specification**

Upon the approval of the Chief Administrative Officer, the Classification and Compensation Unit will work with the office leadership to draft the new classification specification or series of specifications.

The objective of a classification specification is to define and describe the nature of the responsibilities and activities in a manner that clearly distinguishes it from other classifications within the organization. The distinguishing characteristics, examples of duties, and minimum qualifications, including the required knowledge and skills must be carefully considered to ensure that they are in alignment with the broad class structure that has been adopted by the Judicial Council. This will be an interactive process and may require several revisions before the classification specification(s) can be finalized.

**(4) Setting Salary Range**

After the requested body of work has been clearly identified and described in the specification, the Classification and Compensation Unit will coordinate with the office leadership to determine an appropriate proposal for the salary range.

Using the Decision Band™ Method of job evaluation and based on the various considerations outlined in Section C of Policy 4.1, Salary Structure, the

Classification and Compensation Unit will evaluate the new classification and work in conjunction with the office leadership to provide a recommended salary range to the Division Chief and the Chief Administrative Officer.

Upon the approval of the Chief Administrative Officer, the Classification and Compensation Unit will prepare a pay memorandum for the Chief Justice in accordance with Policy 4.1(F).

**(E) Annual Reports**

A report will be submitted to the Judicial Council on an annual basis providing information on any classifications created.

Policy Number: 4.2

Title: Geographic Salary Differentials

Contact: Human Resources, [Labor and Employee Relations Unit](#)

**Policy**

**Statement:** The Judicial Council has established salary ranges for employee compensation based on three geographic regions.

- Contents:**
- (A) Geographic Regions
  - (B) Primary Work Location
  - (C) Change in Primary Work Location
  - (D) Temporary Changes in Primary Work Location
  - (E) Procedures to Change Primary Work Location

**(A) Geographic Regions**

The Judicial Council has established salary ranges for employee compensation based on the following three geographic regions, from lowest (region 1) to highest (region 3), reflecting recognizable cost-of-living and cost-of-labor differences throughout California:

Region 1	Region 1 (cont.)	Region 2	Region 3
Alpine	Modoc	Los Angeles	Alameda
Amador	Mono	Orange	Contra Costa
Butte	Nevada	San Bernardino	Marin
Calaveras	Placer	San Diego	Monterey
Colusa	Plumas	Santa Barbara	Napa
Del Norte	Riverside	Ventura	San Benito
El Dorado	Sacramento		San Francisco
Fresno	San Luis Obispo		San Joaquin
Glenn	Shasta		San Mateo
Humboldt	Sierra		Santa Clara
Imperial	Siskiyou		Santa Cruz
Inyo	Stanislaus		Solano
Kern	Sutter		Sonoma
Kings	Tehama		
Lake	Trinity		
Lassen	Tulare		
Madera	Tuolumne		
Mariposa	Yolo		
Mendocino	Yuba		
Merced			

For more information on setting and adjusting salary ranges for Judicial Council classifications, please refer to [Salary Structure, policy 4.1](#).

**(B) Primary Work Location**

Employee placement within a particular regional salary range is based on the employee's primary work location. Primary work location is defined as the location in which the employee physically spends the majority (i.e., more than 50 percent) of time working, **based on the business needs of the Judicial Council**. If an employee works in more than one location and does not work more than 50 percent of the time in any one geographic region, employee placement in a particular regional salary range is based on the work location in which the employee spends the largest percentage of work time.

A record of all regular work locations will be maintained in Human Resources along with the daily work schedules. **On a quarterly basis**, Human Resources will review the primary work location listed for each employee to ensure the employee's salary rate is within the salary range for the region in which the employee actually spends the majority of time working.

**As part of the quarterly reconciliation process, Human Resources will validate the primary work location of each employee by comparing the information contained in the State Controller's Office database with the Judicial Council's Human Resources and Education Management System (HREMS).**

**Additionally, at the beginning of each fiscal year, a memorandum will be sent out to Office Leadership to obtain each employee's daily work hours, primary location, and when applicable, multiple work location schedule.**

Any changes to the regular work location must be requested before implementation by submitting a [Personnel Action Request \(PAR\)](#) for review and approval. Changes requiring an adjustment to salary will occur in the pay period following the PAR approval.

Individuals regularly scheduled to work in more than one region or location, regardless of primary work location for salary purposes, will be reimbursed for work-related travel consistent with Finance guidelines and IRS criteria (determination of taxable expenses).

### **(C) Change in Primary Work Location**

A change in an employee's primary work location from one region to another will result in an immediate salary rate adjustment only if the employee's rate is outside the new region's salary range for the employee's position. For example:

- A change to a higher-cost region will result in a salary rate increase only if the employee's salary rate is below the range minimum for the higher-cost region, in which event the employee's salary will be increased to the minimum of that range.
- A change to a lower-cost region will result in a salary rate decrease only if the employee's salary rate is above the range maximum for the lower-cost region, in which event the employee's salary will be reduced to the maximum of that range.

More information on salary ranges for the three geographic regions is at [Judicial Council Salary Listing](#).

### **(D) Temporary Changes in Primary Work Location**

If an employee's primary work location changes in connection with a temporary long-term assignment or transfer scheduled to last six months or longer, the temporary work location is considered the primary work location for pay purposes. If the temporary assignment results in a pay decrease, the office leadership may request maintaining the employee's

then current rate of pay by submitting a written justification to the Classification and Compensation Unit for review. Requests to maintain pay rate must be approved by the Chief Administrative Officer. If the nature of the employee's job involves working in a multi-county territory, work-related movements are not considered temporary assignments for regional salary range purposes.

**(E) Procedures to Change Primary Work Location**

All PARs requesting primary work location changes must include the business justification for the change. Justifications must explain how the planned work location change will improve service delivery to judicial branch entities as well as any cost implications (e.g., leased office space). All PARs must be approved by the Chief Administrative Officer before any actual change in primary work location.

A change in an employee's primary work location may not only affect an employee's salary range, but also reimbursement of certain travel expenses within policy. It may also result in potential tax consequences to the employee for travel reimbursements.



---

## RECONCILIATION OF EMPLOYEE WORK LOCATIONS

---

### **Validation Process**

On a quarterly basis, Human Resources will compare and validate the information entered into (1) the State Controller's Office (SCO) for payroll purposes, (2) Human Resources and Education Management System (HREMS) for the employee's official human resources record, and (3) employee entries to HREMS, via self service, for the Judicial Council phone list.

### **Fields Requiring Review**

Specifically the following data will be compared:

- SCO: the county of the employee's primary work location for salary and payroll purposes;
- HREMS: the city of the employee's primary work location for salary and official record keeping purposes;
- HREMS Employee Self Service: the primary work space number and work phone number for Judicial Council phone list purposes.

Based on the work area codes/phone numbers and the workspace number configurations, the HREMS team will be able to determine if the phone list information differs from the SCO and HREMS primary work location record.

### **Data Correction**

Any differences will be reviewed with Pay and Benefits staff. Pay and Benefits staff will research the paperwork received (Personnel Action Request/Exemption Form), discuss with the employee's management, and make any adjustments needed so that the information in all three systems is consistent.