

Administrative Office of the Courts



2010 Supplemental Budget Development and Submittal Instructions

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Introduction

In December 2007, the Washington State Supreme Court officially adopted the first budget development and approval schedule for the judicial branch. The purpose of the schedule and the procedures that follow are to ensure that the budget development, review and submittal process is consistent and objective while providing opportunities for review and discussion.

The budget development, review, approval and submittal process was vigorously tested during the fall and winter of 2008 and during the 2009 Legislative Session. The process, for the most part, withstood the pressure and short time frames inherent in the biennial budget development process. While the process was initially developed to prioritize budget increases, it became quickly evident that it worked just as well for budget reduction mitigation and implementation.

While Washington's economy may not be as bleak as the national outlook, we are facing slower growth than initially expected. In June 2009, the Economic and Revenue Forecast Council noted *"...there are signs that both the national and state economies are stabilizing. The free-fall phase of the recession is over, and the trough is in sight. Activity is still declining, but at a decreasing pace. However, the current level of economic activity is lower than we had projected in March."* The economic recovery will, at best, be flat through the end of the third quarter 2009, unemployment will continue to rise through mid-2010, and increasing medical and other costs are facts that we need to keep in mind while developing any funding proposals for the 2010 Legislative Session. Additionally, we will need to be prepared to respond to further budget reduction scenarios. As resources are constricted or further reduced, the need to institute accountability activities and measures increases, necessitating a rigorous budget development and review process even in a supplemental budget year.

The following schedule and procedures have been developed to support the process approved by the Supreme Court. All state judicial branch budget requests, whether for new funding, increases to existing funding or reductions in existing funding, shall be subject to this process for final approval or endorsement by the Supreme Court as appropriate. The Supreme Court will approve, modify, or deny funding proposals that are included in the Administrative Office of the Court (AOC) or Supreme Court budget requests. In addition, the Supreme Court will endorse, recommend changes to or elect not to endorse funding proposals submitted by independent judicial branch agencies that submit their budgets directly to the Legislature.

Process Overview

Preliminary Budget Submission

Whether a proposed budget request is submitted by a Judicial Branch agency, an association, a board, a committee, or an external entity, development and presentation of the preliminary budget request is a key and mandatory step in the process.

The Supreme Court Budget Committee (Budget Committee) will use, among other factors, current and projected economic conditions, the Judicial Branch Principal Policy Goals and the strategic direction of the Judicial Branch as the context for evaluating each preliminary budget proposal as well as evaluating the proposed budget submittal in its entirety.

AOC will send notification to each requesting entity regarding the Budget Committee's decision or, in the case of independent judicial branch agencies observations and recommendations.

Preliminary budget submissions are due to AOC on August 24, 2009. The preliminary budget submittal form and AOC contact information can be found in Appendix B.

Detailed Budget Request Documentation

The Administrative Office of the Courts will inform organizations of the status of their proposed budget requests based upon direction given by the Supreme Court Budget Committee.

Those entities having approved or endorsed preliminary budget requests will then be allowed approximately three weeks to develop and submit detailed decision packages to the AOC. Requesting entities are strongly encouraged to attend and present their cases at the October meeting of the Supreme Court Budget Committee. AOC budget staff will be available to assist with the development of the detailed decision packages.

A recommendation for the final content of the 2010 supplemental budget request will be submitted by the Budget Committee to the full Court for consideration. The finalized package will then be submitted in November. With the exception of the budget request for the Commission on Judicial Conduct, it is expected that all judicial branch agencies will be submitted under a common cover.

Detailed decision packages are due to AOC on October 5, 2009.

The detailed decision package form and AOC contact information can be found in Appendix B.

The detailed budget development, review and submittal schedule can be found in Appendix A.

Detailed Decision Package

Each decision package is a building block for constructing the budget request and the starting point for making a persuasive case for proposed change. The Supreme Court and Washington State Legislature will rely upon the information presented in the decision package when evaluating the request.

Decision packages organize and describe proposed cost changes, highlighting budget decisions and impacts. The decision package consolidates financial information, supporting justification, and the statement of impact for a specific action or policy proposed for inclusion in the budget.

Decision packages are required for any proposed change that will impact funding or staffing levels.

Please contact the Administrative Office of the Courts' Management Services Division if you have questions about decision packages. Contact information can be found in Appendix B.

Templates for the Preliminary Budget Submittal and for the detailed Decision Package can be found in Appendix B.

Decision package writing tips

Items to consider or remember while developing a decision package include:

- **Consider your audience.**
When developing the decision package, remember that the Supreme Court and Washington State Legislature are the ultimate audiences to whom you are writing. Both will need clear and concise information, not only to make funding recommendations and decisions, but also to communicate the recommendations and decisions to others who can influence the process.
- **Use plain English.**
Jargon and acronyms should be avoided. The narrative should be clear to an audience that may not be familiar with the issue being discussed.
- **Use peer review.**
Ask others to read, review and critique the narrative. Often those not immersed in the issue can identify areas in the narrative that could be strengthened or eliminated.
- **Emphasize the results and outcomes.**
The Supreme Court and the legislature need to understand not only what is being purchased (goods and services), they also need to understand the benefits that will be derived.
- **The title of the decision package is part of the sales pitch.** Avoid titles like

"FTE Increase."

- **Graphs and tables may be useful.**
If a graph and/or table will add value, include it in the decision package.
- **Legislative staff has limited time; legislators have even less.**
The decision package should contain clear and concise language that addresses the issue, recommends a solution, and identifies the benefits.

The questions below should also be considered when developing a decision package

- What do you want the reader to know?
- What do you want your reader to retain?
- Does the narrative emphasize facts, statistics and sources that are respected?
- Does the narrative fully and thoroughly explain assumptions?
- Does the narrative include sufficient (but not too much) background and explanation?
- Is the narrative convincing?
- Is the proposed solution congruent with the agency's mission?
- Why will the public be better off as a result of the proposed solution?
- How will you know you are getting the benefits? Are the benefits measurable?
- Is there a non-budgetary way to deal with the problem? Will changes to administrative policy, court rule or law suffice?
- Is the amount being requested too small?
- Is the problem currently visible to the public or policymakers? Are there newspaper articles, letters from the public, surveys or complaint tracking systems that can help support the proposal?
- Does the proposed solution address an urgent problem? How serious are the risks if action is not taken? Can existing fund sources be used or re-programmed to address the issue?
- Is the amount requested reasonable, considering the problem to be addressed? Are the details of what is being requested reasonable?
- Is there a way to accomplish it without adding FTEs?
- What is the economic outlook?

A sample decision package can be found in Appendix B.

Judicial Branch Principal Policy Goals

The Judicial Branch Principal Policy Goals (Goals) noted below will be used to assess and prioritize budget requests submitted for consideration by the Washington State Supreme Court. All budget requests should be linked to an overall direction or set of goals and objectives. Accordingly, the Goals are provided as anchor points for potential budget requests.

The Goals should be used as the guiding principles or strategic framework upon which the budget request is built. The budget request narrative should provide a clear picture of how the new or enhanced program or activity will directly enhance or move towards fulfillment of one or more of the Goals.

PRINCIPAL POLICY GOALS OF THE WASHINGTON STATE JUDICIAL BRANCH¹

“Justice in all cases shall be administered openly, and without unnecessary delay.”

Washington State Constitution, Article I, Section 10.

1. **Fair and Effective Administration of Justice in All Civil and Criminal Cases.** Washington courts will openly, fairly, efficiently and effectively administer justice in all criminal and civil cases, consistent with constitutional mandates and the judiciary’s duty to maintain the highest level of public trust and confidence in the courts.
2. **Accessibility.** Washington courts, court facilities and court systems will be open and accessible to all participants regardless of cultural, linguistic, ability-based or other characteristics that serve as access barriers.
3. **Access to Necessary Representation.** Constitutional and statutory guarantees of the right to counsel shall be effectively implemented. Litigants with important interest at stake in civil judicial proceedings should have meaningful access to counsel.
4. **Commitment to Effective Court Management.** Washington courts will employ and maintain systems and practices that enhance effective court management.
5. **Appropriate Staffing and Support.** Washington courts will be appropriately staffed and effectively managed, and court personnel, court managers and court systems will be effectively supported.

Measures

Measurement--whether considering output, outcome or performance--is an important tool that decision makers use when weighing the priority and impact of a proposed budgetary change.

The decision package template contains a section for the inclusion of measurement information. This information is not mandatory; however, an effort to quantify change that would occur as a result of new or increased funding will be to your advantage.

¹ Approved En Banc June 5, 2008

Measures should illustrate how the budget request would impact statewide strategies or objectives and allow the reader or decision maker to easily understand the direct impact of the funding request on statewide objectives or strategies.

A good measure:

- Indicates whether the activity is achieving its purpose or is contributing to statewide results.
- Is reliable, accurate, and verifiable.
- Is understandable and relevant to decision makers and stakeholders who may have little or no knowledge of the new or enhanced activity.
- Is stated in positive terms (or in terms of the desired outcome).
- Can be obtained at a reasonable cost and effort.
- Can stand alone and be understood.

Comparison of Outcome, Output and Efficiency Measures

What They Do	Examples
Outcome Measures	
<ul style="list-style-type: none"> • Show the impact of new or enhanced activities on problems/issues they are designed to address • Answer the question “What is different about the world?” • Capture societal impact, changes in behavior, knowledge or attitude, customer satisfaction, or technical quality, or vital signs of a process • Measure goals and objective attainment 	<ul style="list-style-type: none"> • Overall employment rate • Employment rate for job training participants • Percentage of employers rating job training program placements as “good” or “excellent” • Percentage of children who get a communicable disease that is preventable by vaccination • Job training application processing time
Output Measures	
<ul style="list-style-type: none"> • Show how much more or less of something was produced • Answer the question “What was done?” and “How did we get there?” • Measure success of strategies 	<ul style="list-style-type: none"> • Number of vehicle licenses issued • Number of vaccinations given • Number of students attending school • Number of offenders housed in correctional facilities
Efficiency or Effectiveness (Process) Measures	
<ul style="list-style-type: none"> • Show relationship between inputs and outputs (efficiency measures), or inputs and outcomes (effectiveness measures) • Answer the question, “What are the unit costs?” • Can also be used to track timeliness of service delivery • Usually expressed as a ratio, such as cost per unit, or units per FTE 	<ul style="list-style-type: none"> • Cost per training class delivered • Investigations per FTE • Average cost per offender per day supervised • Administrative cost per retirement benefit provided • Time to process a permit

Economic Outlook

Budget Context

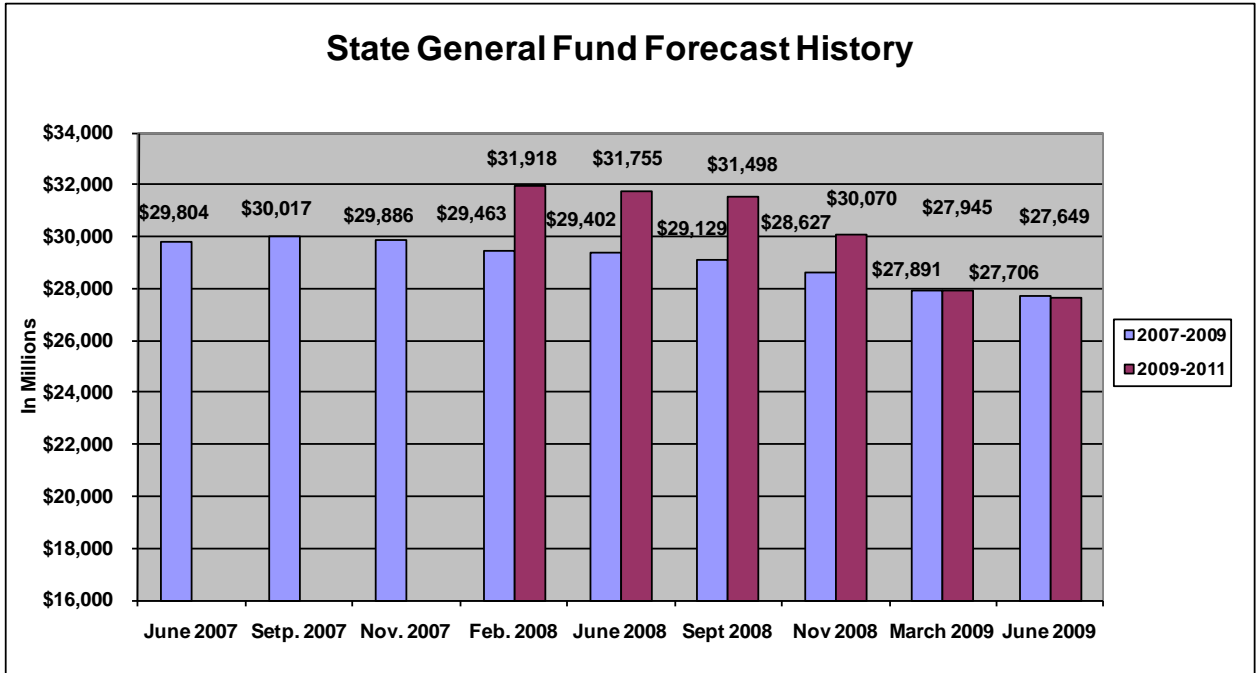
The budget context below focuses on revenue as estimated in June 2009 by the Economic and Revenue Forecast Council and on budget reduction actions taken by the Executive Branch. Revised economic and revenue forecasts will be published in September 2009, November 2009, and February 2010. The AOC will send updated information as soon as possible after the revised forecasts have been released.

Current Biennium 2009-2011

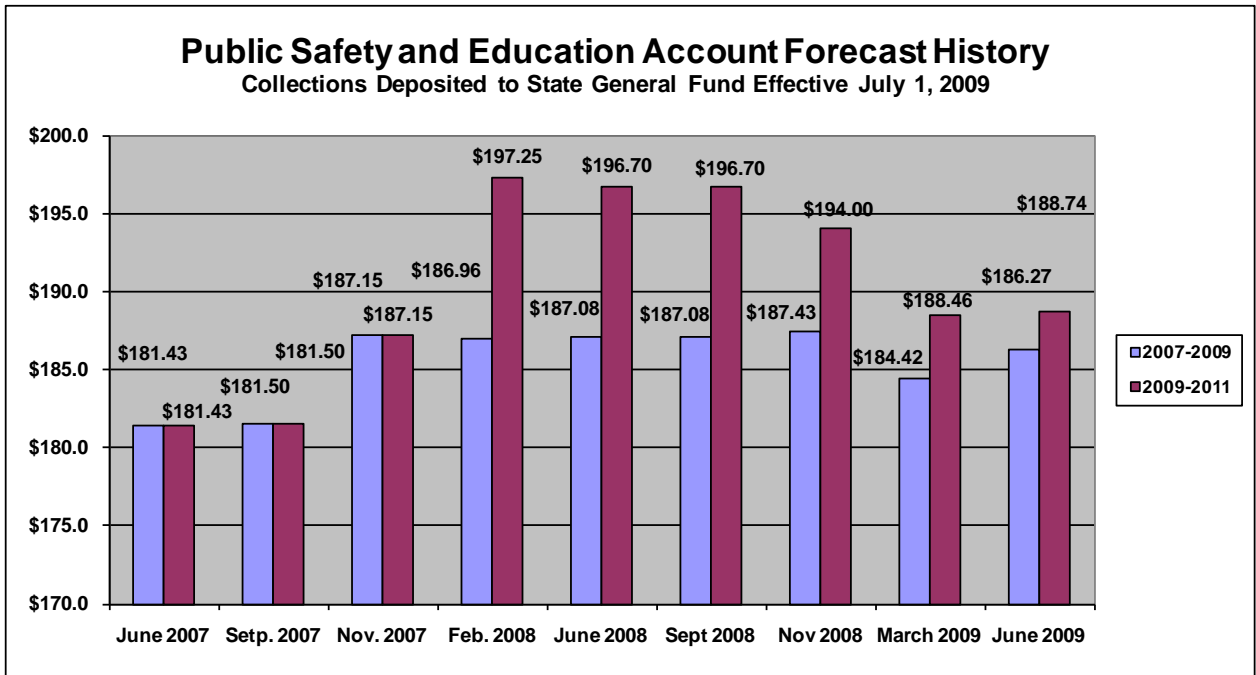
- **State General Fund-Revenue**
 - In 2009, the Washington State Legislature passed ESSB 5073, combining the Public Safety and Education Account (PSEA) with the State General Fund and eliminating the PSEA.
 - Actual general fund state revenue collections fell by 0.2% between the 2005-2007 and 2007-2009 biennia.
 - State General Fund revenue, excluding the impacts of ESSB 5073, is expected to decrease by another .2% between 07-09 and 09-11. In June 2008, state general fund revenue was expected to grow by 8%.
 - July 2009 revenue collections were down \$2 million as compared to anticipated collections.
- **State General Fund-Projected Expenditures**
 - General fund expenditures, as passed by the 2009 Legislature, are \$194.5 million greater than incoming revenue. This is barely offset by ending fund balance and interest earnings which, when combined, will bring the fund balance to a positive \$53.2 million. A \$53.2 million fund balance only represents a .173% positive variance.
- **Public Safety and Education Account (PSEA)**
 - As noted, collections formerly deposited to the PSEA will now be deposited into the state general fund. PSEA revenue will continue to be forecast separately from other state general fund monies. The most current PSEA revenue estimate calls for a 1.3% increase in collections during the 2009-2011 biennium.
- **Judicial Information System Account (JIS)-Revenue**
 - JIS revenue will remain at approximately the same levels as last biennium.
- **Judicial Information System Account (JIS)-Expenditures**
 - In 2009, the Washington State Legislature transferred \$10 million to the state general fund from the JIS account. Accordingly, the current biennial appropriation is substantially less than requested.

As a result of the most recent economic and revenue forecast (June 18, 2009) Governor Gregoire implemented an across-the-board state general fund expenditure reduction of approximately 1.6% (\$374 million) and reduced general fund FTEs by 2% (642) for all

executive branch agencies. Because the judicial branch represents such a small portion of the state general fund, it was decided to forego action until the September 2009 economic and revenue forecast.



The figures above represent the quarterly revenue collection forecast history for the state general fund as developed by the Economic and Revenue Forecast Council.



The figures above represent the quarterly revenue collection forecast history for the PSEA as developed by the Economic and Revenue Forecast Council.

Definitions

Recommendation Summary - A brief description of the purpose of a decision package. Text should be limited to a 100 words or less.

Appropriation — A legal authorization to make expenditures and incur obligations for specific purposes from a specific account over a specific time period. Appropriations typically limit expenditures to a specific amount and purpose within a fiscal year or biennial timeframe. Only the Legislature can make appropriations in Washington State.

Biennialization — Converting expenditures that occurred for only part of a biennium into the amount needed for a full biennium of implementation.

Biennium—A two-year fiscal period. The Washington State biennium runs from July 1 of an odd-numbered year to June 30 of the next odd-numbered year.

Budget Drivers — Caseload, economic, or demographic factors that have a significant effect on the state budget.

Funds — A term that generally refers to moneys or resources.

Fund Balance — Fund balance represents the excess of beginning balance and estimated revenues for the period over liabilities, reserves, and appropriations for the period.

General Fund-State (GF-S) — Refers to the basic account that receives revenue from Washington’s sales, property, business and occupation, and other general taxes; and is spent for operations such as public schools, social services, and corrections. Effective July 1, 2009, general fund-state includes revenue and expenditures from accounts, previously known as: Health Services Account, Violence Reduction and Drug Enforcement Account, Public Safety and Education Account, Water Quality Account, and Student Achievement Fund.

Objectives — Measurable targets that describe specific results a service or program is expected to accomplish within a given time period.

Outcome Measure — A measure of the result of a service provided. This type of measure indicates the impact on the problem or issue the service or program was designed to achieve.

Output Measure — An indicator of how much work has been completed.

Performance Measure — A quantitative indicator that can be used to determine whether the activity is achieving or making progress toward some objective.

Proviso — Language in budget bills that places a condition on the use of appropriations.

Strategic Plan — A long-term comprehensive plan that represents an integrated set of decisions and actions designed to ensure that the intended goals and objectives of an agency are met.

Appendix A

2010 Supplemental Budget Development, Review and Submittal Schedule

MONTH	TASK	DUE DATE
August	AOC distributes instructions	August 7, 2009
August	Preliminary budget submission due to AOC <ul style="list-style-type: none">• Brief description• Brief description of benefit/improvements to be gained by fulfillment of request• Dollar amount	August 24, 2009
September	Supreme Court Budget Committee Review <ul style="list-style-type: none">• Review by Budget Committee	TBD
October	Detailed Decision Packages due to AOC	October 5, 2009
October	Supreme Court Budget Committee Review <ul style="list-style-type: none">• Review by Budget Committee	TBD
October	Supreme Court Budget Committee Final Review <ul style="list-style-type: none">• Presentation by requestor• Final recommendations for En Banc	TBD (may have two meetings)
November	Supreme Court En Banc final approval and submission to Legislature	November 5, 2009

Appendix B

1. Preliminary Budget Submission Template

Please submit to Ramsey Radwan no later than August 24, 2009.

Preliminary Budget Submission Form

2. Detailed Decision Package Template for use by all Judicial Branch Agencies

Please submit to Ramsey Radwan no later than October 5, 2009.

Decision Package Form

3. Example Decision Package

Sample Decision Package

4. Administrative Office of the Courts, Management Services Division

For assistance with the development of the preliminary budget submission, detailed decision package narrative and cost figures, or questions regarding process or procedure, please contact:

- Missy Young – Budget Advisor
(360) 705-5237
Missy.Young@Courts.wa.gov
- Renee Lewis – Comptroller
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