

Administrative Office of the Courts



2011-2013 Biennium Budget Development And Submittal Instructions

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Introduction

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

As we try to maintain and even grow the Judicial Branch resource base the need to institute a number of review, assessment, and accountability activities and measures become imperative especially during the current economic climate. Accordingly, the previous process has been strengthened by establishing a transparent budget process which will result in funding requests that align with judicial branch policy objectives and priorities.

While Washington's economy turned a corner in the third quarter of 2009 and is beginning to stabilize the recovery will be slow, weighed down by weak consumer confidence and construction, especially nonresidential. We are still waiting for a recovery in jobs which is essential for a sustained recovery in consumer confidence and spending. Because of the slow recovery our budget submittal should be thoughtful and driven by priorities that benefit the public first and the branch second.

The following schedule and procedures have been developed in support of the general schedule approved by the Supreme Court. All state judicial branch budget requests, whether for new funding or increases to 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. The Supreme Court may endorse funding proposals brought forth by the independent judicial branch agencies.

Process Overview

Preliminary Budget Submission

External preliminary budget submissions are due to AOC on **April 19, 2010**. The preliminary budget submittal form and AOC contact information can be found in Appendices B and D respectively.

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 policy objectives and the strategic

direction of the Judicial Branch as the context for evaluating each component as well as evaluating the proposed budget submittal in its entirety.

The Budget Committee will review each proposed request then forward a recommendation regarding the preliminary budget proposals to the full Court, identifying packages selected to move forward through the process.

The full Court will accept or modify the Budget Committee's recommendations. Upon receipt of the final decision, the AOC will send status notification and further instructions to each requesting entity.

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. Those preliminary budget request items approved by the Supreme Court for further development will require the completion of a detailed decision package, which are due to AOC on **July 9, 2010**. The detailed decision package form and AOC contact information can be found in Appendixes B and D respectively. The detailed budget development, review and submittal schedule can be found in Appendix A.

Requesting entities may be invited to attend and present their cases to the Supreme Court Budget Committee in August 2010. AOC budget staff will be available to assist with the development of the detailed decision packages.

The Supreme Court Budget Committee will again use the current and projected economic outlook and the policy objectives and priorities as the context for evaluating the detailed budget decision packages as well as evaluating the proposed budget submittal as a whole.

A recommendation for the final content of the 2011-2013 biennial budget request will be submitted by the Budget Committee to the full Court in late September. The full Court will then endorse, approve, modify or reject each proposal. The finalized package will then be submitted to the legislature in October.

Detailed Decision Packages

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 D.

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 the 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 C.

Judicial Branch Principle Policy Goals

The Judicial Branch Principle Policy Goals (Goals) noted below will be used to assess and prioritize budget requests submitted for consideration by the Washington 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.

PRINCIPLE 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. Every effort should be made to quantify the change that would occur as a result of new or increased funding.

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 by the Economic and Revenue Forecast Council and on estimated statewide expenditures through February 2010. Revised economic and revenue forecasts will be published in June 2010, September 2010, November 2010 and March 2011. 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**
 - While growth during the 2005-2007 biennium was the strongest in over 16 years, 2007-2009 growth slowed considerably and 2009-2011 growth was almost nonexistent.
 - 2009-2011 general fund revenue forecast has decreased \$5.4 billion, 15.9%, since February 2008. However, the forecast anticipates that 2009-2011 revenue will be 3.7% greater than revenues collected in 2007-2009.
- **State General Fund-Expenditures**
 - General fund expenditures, prior to the enactment of the 2010 supplemental budget, are estimated at approximately \$30.9 billion. It is estimated that the total remaining reserves (budget stabilization account and fund balance) at the end of the current biennium will amount to approximately \$228 million. However, if costs are not reduced and revenue is not increased the anticipated ending general fund balance, before passage of the 2010 supplemental, is expected to be **\$(1,293,000,000)**.
- **Public Safety and Education Account (PSEA)-Revenue**
 - The Public Safety and Education Account was one of a number of accounts that were eliminated by chapter 479 laws of 2009. Remaining fund balance and future revenues were transferred to the state general fund.
- **Public Safety and Education Account (PSEA)-Expenditures**
 - See PSEA revenue note above.
- **Judicial Information System Account (JIS)-Revenue**
 - The initial 2009-2011 forecast anticipated biennial collections of \$34 million, somewhat comparable to the 2007-2009 biennium.
 - Collections to date are 13.25% greater than the forecast.
- **Judicial Information System Account (JIS)-Expenditures**
 - The legislature continues its practice of “sweeping” fund balances remaining in dedicated funds, such as JIS. Over the last three years the

legislature has transferred over \$10 million from the JIS Account to the State General Fund.

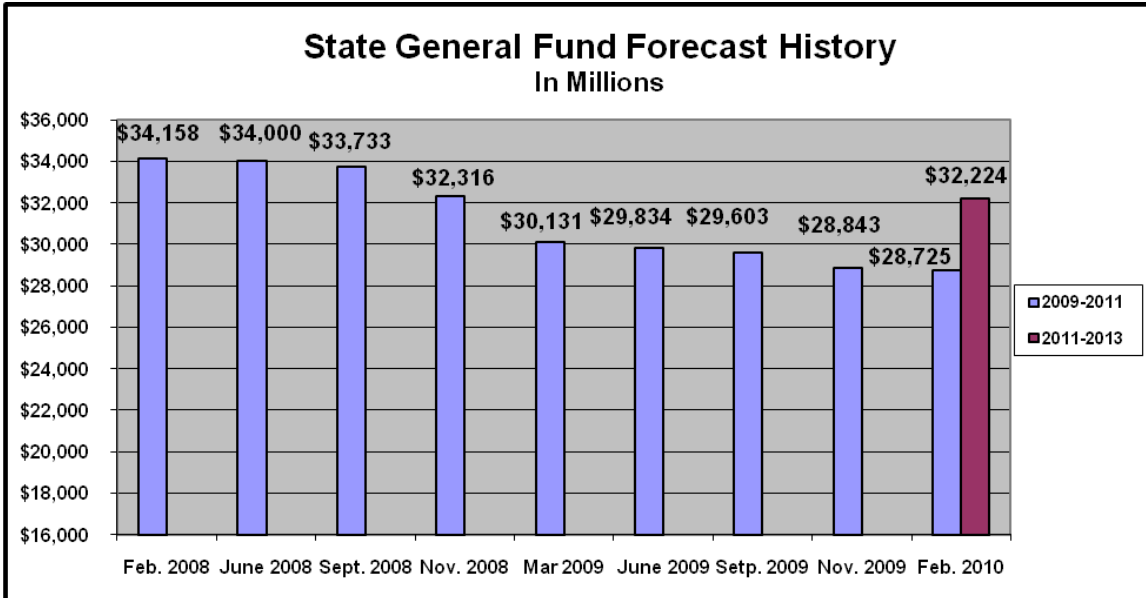
Ensuing Biennium 2011-2013

- **State General Fund-Revenue**
 - The first revenue forecast for the 2011-2013 biennium was published in February 2010. 2011-2013 collections are expected to be 12.2% greater than 2009-2011 collections (\$32.2 billion vs. \$28.7 billion) excluding impacts associated with the 2010 supplemental.
- **State General Fund-Expenditures**
 - Baseline general fund expenditures are expected to increase by 17.2%, creating an estimated \$2.5 billion short fall². This is an extremely early and rough estimate for the 2011-2013 biennium.
- **Public Safety and Education Account (PSEA)-Revenue**
 - The Public Safety and Education Account was one of a number of accounts that were eliminated by chapter 479 laws of 2009. Remaining fund balance and future revenues were transferred to the state general fund.
- **Public Safety and Education Account (PSEA)-Expenditures**
 - See PSEA revenue note above.
- **Judicial Information System Account (JIS)-Revenue**
 - Preliminary figures indicate that JIS revenue will increase by approximately 14.4% over the 2009-2011 forecast.
- **Judicial Information System Account (JIS)-Expenditures**
 - Ensuing biennia expenditures have yet to be developed. However, it is assumed that estimated expenditures will not exceed available resources.

Current and Ensuing Biennium Economic Outlook-Snapshot

- **Current biennium 2009-2011**
 - In February 2010 the Economic and Revenue Forecast Council decreased the current biennium State General Fund forecast \$118 million, a reduction of approximately .4%.
 - Current projections assume that JIS revenues will be \$5 million greater than the original estimate.
- **Ensuing biennium 2011-2013**
 - Current estimates (excluding the 2010 Supplemental Budget) forecast a \$2.8 billion deficit in the state general fund, excluding the “rainy day” account.
 - JIS revenues are expected to increase by approximately 14.4% over the 2009-2011 forecast.

² OFM Four Year Outlook, 12/9/09 at <http://www.ofm.wa.gov/budget/documents/FourYearOutlook.pdf>



The figures above represent the quarterly revenue collection forecast history for the state general fund 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. Examples include inflation rate changes and state population changes in certain age groups.

Efficiency Measure — A measure that shows the relationship between inputs (dollars or FTEs) to output or outcome.

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.

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. Example: “Up to \$500,000 of the General Fund-State appropriation is provided solely for five additional inspectors in the food safety program.”

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

2011-2013 Budget Development, Review and Submittal Schedule

MONTH	TASK	DUE DATE
March	AOC send out Instruction	March 29, 2010
April	Preliminary Budget Submission Due to AOC <ul style="list-style-type: none"> • Brief description • Brief description of benefit/improvements to be gained by request • Dollar amount 	April 12, 2010-internal April 19, 2010-external
May	Supreme Court Budget Committee Review <ul style="list-style-type: none"> • Process and approach discussion • Presentation by requesting parties • Initial recommendation to En Banc 	May 3-7, 2010 May 10-14, 2010 May 17-21, 2010
June	Supreme Court En Banc Review <ul style="list-style-type: none"> • Review, modify, reject and/or approve preliminary recommendations 	June 3, 2010
July	Detailed Decision Packages due to AOC	July 9, 2010-external July 16, 2010-internal
August	Supreme Court Budget Committee	Aug. 2-6, 2010
September	Supreme Court Budget Committee Final Review <ul style="list-style-type: none"> • Presentation by requesting parties • Final recommendations for En Banc 	SCBC-TBD Supreme Court En Banc Sept. 9, 2010
October	Supreme Court En Banc Final Approval & submission to Legislature	October 7, 2010

Appendix B-Templates

Preliminary Budget Submission Template (Internal Due to AOC April 12, 2010; External Due to AOC April 19, 2010)

http://www.courts.wa.gov/index.cfm?fa=home.contentDisplay&location=FinancialServices/2011_13BudgetInstructions

Send completed preliminary budget forms to Ramsey Radwan at ramsey.radwan@courts.wa.gov

Detailed Decision Package Template (Internal Due to AOC July 16, 2010; External Due to AOC July 9, 2010)

http://www.courts.wa.gov/index.cfm?fa=home.contentDisplay&location=FinancialServices/2011_13BudgetInstructions

Send detailed decision package(s) to Ramsey Radwan at ramsey.radwan@courts.wa.gov

Appendix C-Decision Package Example

Example Decision Package

http://www.courts.wa.gov/index.cfm?fa=home.contentDisplay&location=FinancialServices/2011_13BudgetInstructions

Appendix D-Contact Information

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
(360) 705-5237
Missy.Young@Courts.wa.gov
- Renee Lewis – Comptroller
(360) 704-4012
Renee.Lewis@Courts.wa.gov
- Ramsey Radwan – Director, Management Services Division
(360) 357-2406
Ramsey.Radwan@Courts.wa.gov