WASHINGTON COURTS
ADMINISTRATIVE OFFICE OF THE COURTS

April 2015 Update

State Revenue & Budget Update

- The current economic and revenue operating environment much the same as it was in November 2014 (the previous forecast date).
    - As of the February 20, 2015 forecast, general fund revenue is expected to increase by 8.7% to about $36.5 billion for the biennium ending June 30, 2017 and revenue for the biennium ending June 30, 2019 is expected to increase 9.1% to $39.8 billion ($3.3 b between biennia)
    - The increase in revenue for 2015-2017 is about $2.9 billion. The increase necessary to maintain and fund new and existing programs is $2.1 billion, leaving $800 million for policy additions. Almost 75% ($2.1 billion) of the new revenue will be used to fund programs and costs previously implemented by the state legislature.
    - There are definitional issues between what the Governor identifies as ongoing costs and what the Senate identifies as ongoing costs (about a $1.1 billion difference).
    - McCleary still needs to be funded at $1.5b - $2.0 billion.
    - Initiative 1351 is estimated to cost $2 billion during the 15-17 unless amended by the legislature.
    - Even though revenue is projected to increase, costs are also increasing at an equal or greater pace.
- The House released their version of the 2015-2017 budget on March 27, 2015. The overall budget being proposed by the House is favorable for the AOC. There are no budget reductions and all but a few requests are funded in the proposal. While the interpreter and Family and Juvenile Court Improvement Program (FJCIP) requests aren't part of the House budget proposal, they were very interested in discussing both programs-which is a good sign. The House voted their version of the budget off the floor on April 2, 2015. Amendments included an additional $4.6 million to the Office of Public Defense (over and above what was included in the initial House budget) and an additional $3 million to the Office of Civil Legal Aid (over and above what was included in the initial House budget). No amendments to the Supreme Court, AOC, Law Library or Court of Appeals budgets.

- The Senate released their version of the 2015-2017 budget on March 31, 2015. The Senate proposal includes a number of budget reductions, not included in the House proposal. The Senate budget proposal would, if passed as is,:
    - Reduce the AOC general fund by approximately $10 million by:
        - Eliminating research,
        - Reducing judicial education,
        - Requiring $4.2 million in additional reductions
        - Eliminating LFO pass through funding to the county clerks and
        - Reduce pass through funding to Thurston County for the impact of cases that must be filed in Thurston County (superior court and county clerk).
    - Not provide funding for the initiation of the CLJ-CMS project.
    - Fund the King County data exchange solely from the JIS account rather than the state general fund.
    - Implement a $2 million fund switch between the state general fund and the JIS account (decrease state general fund, increase the JIS account).
    - Not provide funding for a number of other budget request items (see the table below for more detail).

- AOC has developed a list of talking points, draft letters and a strategy for courts and stakeholders to use to ensure that the Senate budget does not pass in its current form.

- There will be several more iterations of the House and Senate budget proposals over the next few weeks. The session officially ends April 26, 2015, however it is anticipated that the 2015-2017 budget will not be finalized by then necessitating one or more special legislative sessions.

- The table below depicts the 2015-2017 budget request for the Administrative Office of the Courts compared to the most current House and Senate budget proposals. The table will be updated as new legislative proposals are released.

2015-17 Budget Comparisons

Administrative Office of the Courts	Requested	House Proposed	Senate Proposed
JIS Maintenance Costs	$1,159,000	$1,159,000	$0
BOXI v4 Upgrade	$773,000	$773,000	$0
Mason County Superior Court Judge	$236,000	$236,000	$236,000
Technical Adjustment Technology	$278,000	$278,000	$0
Trial Court Language Access	$5,070,000	$0	$0
FJCIP Expansion	$428,000	$0	$0
Juvenile Detention Alternatives Initiative Staff	$302,000	$302,000	$0
Superior Courts Case Management System	$12,598,000	$12,598,000	$12,598,000
Courts of Limited Jurisdiction Case Management System	$4,429,000	$4,429,000	$0
Courts of Limited Jurisdiction COTS Prep	$1,297,000	$1,297,0000	$0
Courts of Limited Jurisdiction Information Network Hub	$1,440,000	$1,440,000	$1,440,000
External Equipment Replacement	$1,849,000	$1,849,000	$1,849,000
Internal Equipment Replacement	$516,000	$516,000	$0
Appellate Courts Content Management System	$313,000	$313,000	$313,000
Program from JRA (Governor's Budget Request)	$0	$0	$0
Expedited Data Exchange **House:*$2.8 SGF, $4.3 JIS: Senate: $7,100,000 JIS account**	$7,100,000	$7,100,000	$7,100,000

Administrative Office of the Courts	Requested	House Proposed	Senate Proposed
Legal Financial Obligations (HB 1390)	$0	$916,000	$0
Home Detention (HB 1943)	$0	$118,000	$0
One Family, One Team Partnership	$0	$75,000	$75,000
Funds to Program IT System for Tax Court of Appeals	$0	$0	$75,000
Eliminate Court Research	$0	$0	($1,064,000)
Eliminate LFO Grants	$0	$0	($981,000)
Fund Transfer-Increase JIS decrease State General Fund	$0	$0	$2,000,000 JIS ($2,000,000) SGF
Reduce Thurston County Impact Fees	$0	$0	($808,000)
Operational Reduction (15%)	$0	$0	($4,210,000)
Reduce Judicial Education	$0	$0	($886,000)
Total Request AOC	**$37,788,000**	**$33,399,000**	**$15,737,000**