II. PLANNING AND DEVELOPMENT

The budget process is cyclical and continual. At any period of time there are two to three fiscal years at different stages of development or implementation: prior year; current year; and request year. Each fiscal year can be broken down into three stages: planning and development; appropriation and allocation; and budget management and expenditure control. Court Executives and State Level Administrators are most prominently involved in the first and the final stages. The Appropriation aspect is controlled by the Legislature while participation in the allocation of the appropriated funds is somewhat limited due to time constraints. (See Budget Planning Calendar, Appendix B).

The time frames provided here are minimum requirements. State Level Administrators and Court Executives are urged to begin budget planning earlier than this manual suggests. The more time, thought, and research dedicated to the budget request, the greater the likelihood that the initial request will remain intact, and the greater the likelihood that the budget request will meet the needs of the court.

1. Standard Request

The fiscal year begins July 1. The planning for each fiscal year begins at least 18 months earlier. Between November and January, the Finance Department of the Administrative Office of the Courts reviews the prior year's guidelines and seeks input from the Budget Support personnel as to any modifications that may need to be implemented. The annual planning calendar and building block request instructions (including those for centralized resources) are prepared and mailed in early January. (Budget preparation instructions can be found in Appendix C and Budget Preparation forms and aids included in this mailing can be found in Appendix D).

2. Development of a Budget Request

The Court Executive should meet with presiding judges and other appropriate judges and staff to obtain information concerning budget needs and priorities. The Court Executive also should scrutinize the pattern of current year expenditures and assess the effectiveness of current staff levels. This effort might begin as early as January, but no later than mid-March in any event.

From these inquiries, the Court Executive must determine which priority needs of the court are being met and which are not. The Court Executive should assess what money from the current allocation level might be shifted between accounts in the request year budget to better meet the priorities of the court. The Court Executive should assess what additional money is necessary to better meet the priorities of the court. It is the responsibility of the Court Executive to develop a budget request that meets the current priority needs of the court and reasonably anticipates future needs.

It is also the responsibility of the Court Executive to develop a budget request within the limits of the guidelines. Any requests beyond the guidelines should be justified. The justification is just as important as the request. The written justification should be well developed. Every increase should be justified. Further, furniture or equipment should be justified.

The justification should be in writing, and should identify the nature and the severity of the need, the impact if the requested funds are provided, and the impact of failing to obtain the requested funds. Where alternative methods of addressing the problem exist, the Justification should assess the efficiency of the alternatives.

As part of the budget development process, the Court Executive should prepare contingency plans to implement reductions. These contingency plans are not part of the budget request, but reductions in the request are likely before the appropriation and possibly after the appropriation. Prior planning can ease the burden of implementing budget reductions.

The budget request and justification must be submitted to the State Level Administrator in late April. If court clerks are preparing the budget request, these requests must be submitted to the Court Executive in time for analysis and submission to the State Level Administrator.

In May, the State Level Administrator meets with the Court Executives to discuss the budget request. If a court clerk prepared a budget, the Court Executive may invite the court clerk to attend. At this meeting the State Level Administrator and the Court Executive agree upon a budget to be presented to the appropriate Board of Judges. It is the responsibility of the State Level Administrator to present a budget request within the guidelines along with

necessary Justification to the Board of Judges. If the difference between the budget request of the Court Executive and that of the State Level Administrator is significant, the Court Executive may present, at the discretion of the State Level Administrator, the justification for the adjusted amount to the Board of Judges.

As a result of the meetings with Court Executives, the State Level Administrator obtains a detailed understanding of the budget requests of the local courts. In most subsequent budget presentations, it will be the State Level Administrator who will defend the request. This cannot be done without a precise understanding of the needs of the requesting court.

2A. Board of Judges

The State Level Administrator presents the budget request for the appropriate program budget to the Board of Judges during the board meetings in June/July. From the various requests, the Board of Judges recommends priority funding. Typically, the Board of Judges will consider statewide priorities, such as Judicial and non-judicial salaries, as well as requests specific to that level of court. The State Level Administrator presents the budget request, but Court Executives may be invited to attend the presentation to answer questions or defend a particular budget.

The Judicial Council has determined that requests in addition to the standard budget are generally limited to a five- percent increase from the current year's General Fund allocation. (The percentage amount of increase is subject to change, based on guidelines from the Executive Branch). This request, or building blocks, are new programs or significant increases in old programs. Any item that falls outside of the guidelines for the standard budget are also considered building blocks. In submitting the building block list, the Board should prioritize the list in both one- percent increments and by program, and provide sufficient justification as to why their request should be granted.

Based upon the decisions of the Board of Judges, the State Level Administrator prepares the budget request for submission to the Judicial Council. The State Level Administrator's budget is submitted to the Finance Department of the Administrative Office of the Courts no later than July 15.

2B. Court Administrator's Analysis

The Court Administrator meets with two Court Executives, the State Level Administrators, the Finance Director, and two other designated individuals in late July to review the requests of the Boards of Judges and Administrative Boards. The Court Administrator develops his Administrative Analysis which is presented to the Judicial Council as a result of this meeting.

2C. Judicial Council

The Finance Department of the Administrative Office prepares the summation of the budget requests for all courts for presentation to the Judicial Council in August, at the Judicial Council's annual planning meeting.

The Judicial Council develops its budget request from the requests and recommendations of the Boards of Judges and the State Court Administrator. State Level Administrators assist in presenting the budget requests from the Boards of Judges to the Judicial Council.

Subsequent to the Judicial Council's planning meeting, the State Level Administrators have the responsibility of communicating to the Court Executives a summary of the budget decisions made by the Judicial Council.

3. Submission of Budget

Between September 15 and October 1, the Court Finance Department formats the various program budgets into the official budget request for the judiciary. This budget request is based on the policy priorities of the Judicial Council, and the Governor's budget guidelines. Between October 1 and October 15, depending on the schedule of the Governor's budget hearings, the Court Finance Department submits the budget request to the Governor with a copy to the Legislative Analyst. The Governor submits a balanced budget for all of state government to the Legislature. The budget may contain recommended funding less than that requested by the Judicial Council.

4. Preliminary Budget Discussions

Most of the budget decisions ultimately made by the Governor and the Legislature are based on the recommendations of their respective fiscal analysts. Representatives of the Finance Department of the Administrative Office of the Courts and State Level Administrators meet with the Governor and Legislature's fiscal analysts in October and November. At this meeting, or meetings, there is a critical need for detailed knowledge and understanding of the budgets of the local courts. Inadequately justified requests will be recommended for elimination, and cuts recommended by fiscal analysts are not likely to be restored by the Legislature. Upon receipt of the analysts' recommendations, the Court Finance Department distributes the recommendations to the State Level Administrators.

5. Formal Budget hearings

Governor's Hearings: Formal hearings generally are held for the courts and all executive departments during October. The Chief Justice and the State Court Administrator make the formal presentation. Other staff members attend the presentation as necessary.

Legislative Hearings: The Executive Offices, Criminal Justice, and Legislature Appropriations Subcommittee holds its public hearings during the legislative general session in January and February. Again the Chief Justice and the State Court Administrator make the formal presentation to the Subcommittee. The Subcommittee prepares recommendations for consideration by the Executive Appropriations Committee. The Appropriation Bill, generally enacted very late in the session, is the budget for state government in general and includes the court's budget. The courts have a single line item appropriation.