



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on August 21, 2015

Title

Budget: Fiscal Year 2016–2017 Budget
Proposals for Supreme Court, Courts of Appeal, Judicial Council, Judicial Branch Facilities Program, Trial Courts, and Habeas Corpus Resource Center

Agenda Item Type

Action Required

Effective Date

August 21, 2015

Date of Report

August 18, 2015

Contact

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Rules, Forms, Standards, or Statutes Affected

None

Recommended by

Martin Hoshino, Administrative Director
Mr. Curt Soderlund, Chief Administrative Officer
Mr. Zlatko Theodorovic, Chief Financial Officer, Director of Finance

Executive Summary

The delegated committees of the Judicial Council recommend approving fiscal year 2016-2017 budget proposals for the Supreme Court, Courts of Appeal, Judicial Council, Judicial Council Facility Program, Trial Courts, and Habeas Corpus Resource Center. In addition, the Judicial Council staff recommends delegating authority to the Administrative Director to make technical changes to any budget proposals, as necessary. Submittal of budget change proposals is the standard process for proposing funding adjustments in the State Budget, which must be submitted to the state Department of Finance by September 2, 2015.

Recommendation

Effective August 21, 2015, the following Judicial Council advisory committees and boards recommend that the Judicial Council approve the fiscal year 2016-2017 budget proposals for submission to the state Department of Finance:

1. The Advisory Committee on Financial Accountability and Efficiency for the Judicial Branch for Judicial Council and the Judicial Branch Facilities Program.
2. The Administrative Presiding Justices Advisory Committee for the Judicial Branch for the Supreme Court and Courts of Appeal.
3. The Trial Court Facility Modification Advisory Committee for the Judicial Branch Facilities Program.
4. The Trial Court Budget Advisory Committee for the Trial Courts.
5. The Habeas Corpus Resource Center board of directors for the Habeas Corpus Resource Center.

Further, the Administrative Director recommends that the Judicial Council:

6. Approve the fiscal year 2016-2017 budget proposal for Sustainability of the Immediate and Critical Needs Account and the Transfer of funding for East County Hall of Justice, Alameda Courthouse Project for the Judicial Branch Facilities Program.
7. Delegate authority to the Administrative Director to make technical changes to budget change proposals (BCPs), as necessary.
8. Prioritize all approved BCPs for submission to the state Department of Finance as follows:
 1. Support for Trial Court Operations.
 2. New Appellate Court Justices.
 3. Court-Appointed Dependency Counsel.
 4. New Judgeships (Assembly Bill 159).
 5. Appellate Court-Appointed Counsel Cost Increases.
 6. Implementation of Language Access Plan.
 7. Court Case Management System V3 Replacement.
 8. Funding for Court-Provided Security.
 9. Sustainability of the Immediate and Critical Needs Account.
 10. Courthouse Operations Costs.
 11. Supreme Court Workload.
 12. Increased Operations costs for Existing and New/Renovated Courthouses.

13. Judicial Branch Information Systems Control Enhancements.
14. Judicial Branch Risk Management Program—Trial Courts.
15. Print and Online Subscriptions.
16. Case Staffing Teams.
17. Transfer of funding for East County Hall of Justice, Alameda Courthouse Project.

Previous Council Action

The Judicial Council has statutory authority to approve budget proposals on behalf of the Supreme Court, Courts of Appeal, Judicial Council, Judicial Branch Facilities Program, Trial Courts, and Habeas Corpus Resource Center. The recommendations in this report are consistent with the council's past practice under this authority.

Rationale for Recommendation

Each year, the Judicial Council staff presents budget proposals for review by the council. Budget proposals approved by the council will be finalized into BCPs and required supporting documents.

Delegation of authority to make technical changes

If council staff receives additional information that requires technical changes to the funding requests identified in this report, BCPs being submitted to the Department of Finance may require modification. For some of the proposals included in this report, the actual amounts may change as updated information is received. Delegating authority to the Administrative Director to make minor adjustments to these proposals in advance rather than requesting that council staff return to the Judicial Council to seek authority to do so will facilitate a dynamic budget process. In addition, each year during the course of developing the State Budget, issues arise that may need to be addressed on short notice. In those instances, it is advisable for the Administrative Director to have the ability to update and add funding proposals in an efficient and flexible manner. All completed BCPs will be submitted to the chair of the Executive and Planning Committee.

Judicial Council Approval of budget proposals

Judicial Council approval is requested on the following 2016-17 budget proposals to address baseline resources for the state judiciary. The current estimated budgetary need is indicated in parentheses after the program titles.

Supreme Court and Courts of Appeal (\$TBD million).

New Appellate Court Justices. Proposed ongoing General Fund augmentation for two additional appellate court justices and their necessary chambers staff for Division Two of the Fourth Appellate District to meet substantial and growing workload demands. Division Two has an annual average of 1,165 appeals becoming fully briefed, resulting in a case weight of 119 cases per justice—far exceeding all of the other divisions. Adding two justices would reduce the

weighted workload to 93 weighted cases per justice—still above the optimal number of 89 cases per justice, and would prevent cases from being transferred from one division to another, which would pose a hardship for litigants who would bear the expense and burden of traveling to a distant division. It would also allow local issues to be decided in the geographic area in where the dispute arose.

Appellate Court-Appointed Counsel Cost Increases (\$TBD million):

- *Appellate Projects for the Courts of Appeal.* Proposed ongoing General Fund augmentation to increase the contract amounts for the appellate projects, which are responsible for administering the appointment of counsel by contract with the Courts of Appeal. The projects are responsible for managing the court-appointed counsel system in their respective districts and performing quality control functions. Each project oversees a panel of attorneys who receive appointments in the district. The projects are responsible for working with the panel attorneys to ensure that effective assistance is provided, ensuring continuity of quality, including reviewing claims for payment submitted by panel attorneys. Funding for the appellate projects comes almost entirely from their contracts with the Courts of Appeal, and despite significant increases in the cost of doing business; the projects have received no increases in the amounts of their contracts since 2007, while being held to the same required billable-hours and quality-of-service expectations.
- *California Appellate Project – San Francisco.* Proposed ongoing General Fund augmentation to support an increase in its contract with the California Appellate Project—San Francisco (CAP-SF), which provides assistance and oversight to the panel of private attorneys appointed in capital appeals and habeas corpus and clemency proceedings for indigent defendants. CAP-SF is also responsible for assisting unrepresented death row inmates by collecting and preserving records and evidence for later post-conviction use, and by providing advocacy needed before counsel is appointed. The funding would support significant increases in the cost of rent and staff benefits, new staff, salary increases, training, and increased costs for record collection and preservation.
- *Panel Attorneys.* Proposed ongoing augmentation of \$4.2 million General Fund to provide an increase of \$10 per hour (from \$85/95/105 to \$95/105/115) for court-appointed counsel representing indigent parties in appeals of criminal and juvenile matters before the California Courts of Appeal. This would be the first compensation increase since 2007. Recruiting competent court-appointed attorneys who are willing and able to make a career of representing indigent appellants and retaining these experienced attorneys are at the heart of a stable, efficient, and cost-effective court-appointed counsel program. The lack of compensation increases has affected the program’s recruitment and retention efforts and could jeopardize the constitutional obligation to provide effective assistance of counsel for indigent defendants.

Supreme Court Workload. Proposed ongoing augmentation of \$1.2 million General Fund for the Supreme Court's budget to provide stable, permanent funding for six positions: one Senior Executive Judicial Assistant to the Chief Justice position, one Senior Legal Advisor position, and one critically-needed Legal Advisor IV position to support the Supreme Court Committee on Judicial Ethics Opinions, two Senior Supreme Court Attorney positions on the Supreme Court's Capital Central Staff, and one Deputy Clerk position in the Capital Appeals Unit of its clerk's office.

Print and Online Subscriptions. Proposed ongoing General Fund augmentation to address the increased costs of law library print and online resources for the California Judicial Center Library and the law libraries of the Courts of Appeal. The amount requested will represent observed and predicted increases in the costs of supplying libraries, judicial chambers, and staff collections in all court libraries and contractually required increases in the costs of providing access to the major online legal research services.

Trial Courts (\$TBD million):

Support for Trial Court Operations (\$TBD million).

- *Funding for trial courts equal to 10 percent of the Workload-Based Allocation and Funding Methodology (WAFM) estimated funding need.* Proposed ongoing augmentation of \$238.0 million General Fund for transfer to the Trial Court Trust Fund to provide 10 percent of the WAFM funding need. The WAFM provides a budget development and allocation process building on accepted measures of trial court workload and creating formulas to allocate funding to the trial courts in a more equitable manner. The process is designed to create a baseline funding formula for each court using identifiable, relevant, and reliable data consistently applied to all courts. The process is rooted in workload assessment, established by the Judicial Council-approved Resource Assessment Study (RAS) model which assesses court staffing needs using a three-year rolling average of filings weighted based on the workload associated with each case type that makes up the total filings. Using RAS and other identifiable cost drivers, WAFM estimates the funding need for each superior court. The allocation method is premised on identifying funding need for court operations and then comparing that amount to equivalent, available funding in order to help the state's most under-resourced courts. Based on the 2015–2016 WAFM funding need estimate, total equivalent, available funding is only 71.6 percent to 80.4 percent of the funding need. The proposal requests 10 percent of the amount of funding needed by the courts based on the 2015–2016 WAFM estimate to reduce the gap between funding need and available funding.
- *Trial court employee compensation.* Proposed ongoing General Fund augmentation for transfer to the Trial Court Trust Fund to provide funding for employee compensation. The proposed augmentation is computed consistent with the level of compensation increases provided to executive branch agencies. (2 percent in 2014-2015 and 2.5 percent in 2015–2016.

Court-Appointed Dependency Counsel. Proposed ongoing augmentation of \$22.4 million General Fund for transfer to the Trial Court Trust Fund to support court-appointed dependency counsel workload. The 2015–2016 base budget for court-appointed dependency counsel is \$114.7 million, which includes an additional \$11 million in funding provided in the 2015 Budget Act. The need based on the current workload model is \$137.1 million—an ongoing need of \$22.4 million in new funding to address the costs for court-appointed counsel for parents and children. The new funding would enable the reduction of caseloads from the current rate of 250 clients per attorney to 188. The American Bar Association recommends 100 clients per attorney. New funding will be allocated—as approved by the Judicial Council at its April 17, 2015, meeting—to courts with a ratio of historical base funding to workload-based funding that is below the statewide ratio of total base funding required to meet the workload standard. Adequately funding effective counsel for parents and children has resulted in numerous benefits both for the courts and for children in foster care. Effective counsel can ensure that the complex requirements in juvenile law for case planning, notice, and timeliness are adhered to, thereby reducing case delays and improving court case processing and the quality of information provided to the judge. Unnecessary delays also result in children spending long periods of time in foster care, a situation that has improved greatly in the past few years through the courts’ focus on effective representation and adherence to statutory timelines.

New Judgeships (Assembly Bill 159). Proposed ongoing General Fund augmentation for transfer to the Trial Court Trust Fund for 12 new judgeships and necessary supporting staff. Although the second of three sets of 50 judgeships was authorized by the Legislature in Assembly Bill 159 (Stats. 2007, Ch. 722), funding was not appropriated and the judges were never appointed. In spring of 2015, the Budget Conference Committee approved \$7.8 million for 12 new judgeships, removing funding for court security costs from the \$10 million that Senate Subcommittee for Corrections, Public Safety and the Judiciary had approved earlier. The Legislature also proposed budget bill language that the allocation of 12 judgeships be based on the judicial workloads needs assessment, and placed in courtrooms that were active at the time of the 2011 Criminal Realignment Act but then subsequently closed, thereby not increasing the need for court security beyond the level already funded through the 2011 realignment. Although a General Fund augmentation was not included in the final 2015 Budget Act, this proposal would request funding for an additional 12 new judgeships based on the current Judicial Needs Assessment. The most current Judicial Needs Assessment, which was presented to the Judicial Council in December 2014, showed a need for 270 new judges. That assessment was based on filings data for 2010–2011 through 2012–2013. Although statewide filings have been declining, the decline (5 percent since the 2012 Judicial Needs Assessment) has tended to be in the types of cases that take less judicial time to adjudicate.

Implementation of Language Access Plan. Proposed augmentation of \$11,136,000 General Fund, of which \$622,000 is one-time, to help support implementation of the *Strategic Plan for Language Access in the California Courts* (adopted by the Judicial Council on January 22, 2015). The requested funding would support the following items: (1) expanding interpreter services

into all civil proceedings; (2) providing training for interpreters on civil cases and remote interpreting, as well as signage in courthouses in multiple languages; (3) providing on-site trial court support for language access; (4) implementing a pilot program for video remote interpreting; (5) translation of Judicial Council forms and creation of multilingual videos to assist limited English proficient (LEP) court users; and (6) to support the work of the Language Access Plan Implementation Task Force to ensure appropriate and timely implementation of recommendations to improve access to justice for the 7 million LEP Californians and promote efficiency for the courts.

In addition, staff is continuing to more fully flesh out the need for additional staff resources, and will present a more comprehensive request for staff support to the task force in time to submit a spring Finance Letter.

Court Case Management System V3 Replacement. Proposed one-time General Fund augmentation for transfer to the Trial Court Trust Fund to replace the Court Case Management System V3 with a vendor-supplied case management system in Orange, Sacramento, San Diego, and Ventura Counties. Because of the projected deficit in the Trial Court Improvement and Modernization Fund (IMF), the Judicial Council determined the need to eliminate funding from the IMF for the V3 Case Management System. Hence, by July 2019, the four identified courts will be responsible for self-funding their case management systems. CMS V3 is a robust application that automates processing for the civil, small claims, probate, and mental health case types. The cost to maintain and support CMS V3 from the IMF is comparatively high to support four courts. The courts have determined that to replace CMS V3 with a vendor-supplied CMS will be more cost-effective. Moreover, action by the Legislature in July 2012 prevents the branch from using funds to improve CMS V3, restricting funding to “maintenance and operations” unless approved by the Legislature. This action effectively prohibits the Judicial Council from developing and deploying any further significant automation to increase efficiencies for the courts, making CMS V3 a legacy system. Although ongoing support costs for a vendor CMS would be lower, the courts are unable to support the one-time deployment costs.

Funding for Court-Provided Security. Proposed ongoing General Fund augmentation for transfer to the Trial Court Trust Fund to address increased costs for court-provided (non-sheriff) security. When criminal justice realignment occurred in 2011, funding for sheriff-provided security was transferred to the counties. As a result, in July of 2011 trial court base budgets were reduced by the total amount for sheriff-provided security—\$484.6 million—while a total of \$41.0 million remained in the base budgets for the 39 courts with court-provided security costs (private security contracts, court attendants, marshals, and other costs such as alarm systems). Currently, county-provided sheriff security receives growth funding from the Trial Court Security Growth Special Account; however, courts have not received any funding for increased costs for private security contracts since 2010–2011. Courts do, however, receive funding for benefit adjustments for marshal and court security staff through the benefit funding process. This proposal would request a General Fund augmentation to address increased costs for court-provided (non-sheriff) security for the maintenance of funding at 2010–2011 security levels.

Judicial Branch Facilities Program (\$TBD million).

Sustainability of the Immediate and Critical Needs Account:

- *Replace \$50 million transfer from the Immediate and Critical Needs Account with General Fund to support trial court operations.* Proposed ongoing augmentation of \$50 million General Fund for transfer to the Trial Court Trust Fund to support trial court operations. Beginning with the 2013-14 fiscal year, \$50 million is transferred annually from the Immediate and Critical Needs Account to the Trial Court Trust Fund to support trial court operations. This request would eliminate the transfer from the Immediate and Critical Needs Account and replace it with \$50 million from the General Fund to provide the same level of funding to support trial court operations.
- *Replace funding from previous General Fund transfers from the Immediate and Critical Needs Account.* Proposed one-time augmentation of \$510.3 million General Fund for transfer to the Immediate and Critical Needs Account. During the recession, significant funds were transferred from the Immediate and Critical Needs Account to offset General Fund budget reductions that impacted trial court operations. In total, \$510.3 million was transferred from the Immediate and Critical Needs Account to the General Fund (\$310.3 million in 2011-12 and \$200.0 million in 2013-14). Restoration of funds will also allow for cash funding – rather than financing – of construction projects with significant reductions to the overall cost of the SB 1407 courthouse construction program.

Courthouse Operations Costs:

- *Trial Court Facilities Operating Expenses.* Proposed ongoing augmentation of \$27.6 million General Fund for transfer to the Court Facilities Trust Fund to support 4.0 positions to maintain trial court facilities at industry standard levels using the Building Owners and Managers Association average.
- *Trial Court Facility Modification Projects.* Proposed ongoing augmentation of \$12.6 million General Fund for transfer to the State Court Facilities Construction Fund and 4.0 positions to ensure timely facility modification project implementation.
- *Facility Modification for the Michael Antonovich Antelope Valley Courthouse.* Proposed one-time augmentation of \$3.5 million from the Immediate and Critical Needs Account for a facility modification project for the Superior Court of Los Angeles County, Michael Antonovich Antelope Valley Courthouse.

- *Trial Court Security Equipment.* Proposed ongoing augmentation of \$3.905 million General Fund for transfer to the Court Facilities Trust Fund to maintain and replace camera, electronic access, and duress alarm and intrusion alarm systems in state trial court facilities

Increased Operations costs for Existing and New/Renovated Courthouses:

- *Increase Operations Costs for Existing Courthouse Operations Costs.* Proposed ongoing General Fund augmentation in 2016-2017 for transfer to the Trial Court Trust Fund for operations support costs that are allowable under California Rule of Court, rule 10.810.
- *Increased Operations Costs for New/Renovated Courthouses.* Proposed augmentation of \$3.6 million in 2016-2017 and \$4.4 million 2017-2018 and ongoing from the General Fund for transfer to the Court Facilities Trust Fund to address the increased facility operating costs for four newly constructed or renovated facilities in Merced, San Diego, San Joaquin, and Tehama counties, which will be opening in 2016-2017.

Judicial Branch Risk Management Program—Trial Courts. Proposed ongoing augmentation of \$3.931 million General Fund for transfer to the Court Facilities Trust Fund for facilities-related insurance premiums for effective risk management of trial court facilities. County facility payments provide \$2.934 million for insurance, and total property and liability costs associated with court facility operations are estimated at \$6.865 million. This request addresses the unfunded need. The Trial Court Facility Modification Advisory Committee supports this request.

Transfer of funding for East County Hall of Justice, Alameda Courthouse Project. Proposed transfer of \$903,000 annually from the Court Facilities Trust Fund to the Immediate and Critical Needs Account (ICNA) to support the financial plan for the construction of the Alameda County—New East County Hall of Justice. The transfer would be in place until the loan from the ICNA is fully paid off, which is estimated to occur in seven to eight years. This item was presented to the Trial Court Facility Modification Advisory Committee as an informational item. It was previously approved by the Judicial Council for submittal as a BCP in August 2008.

Judicial Council (\$3.2 million).

Judicial Branch Information Systems Control Enhancements. Proposed ongoing augmentation of \$3.2 million General Fund in 2016-2017 and \$2.0 million General Fund in 2017-2018 and ongoing for the initial implementation of a court information security program to ensure the security and reliability of court data. With the Judicial Branch Contract Law, enacted in 2011, the branch is now subject to biennial audits under which court procurement activities are inspected by the California State Auditor (Pub. Contract Code, § 19210). The auditors may also perform a general systems audit to assess the security and reliability of local court information technology infrastructure and the data hosted on that infrastructure. On July 29, 2015, the Advisory Committee on Financial Accountability and Efficiency for the Judicial Branch

reviewed this request as it pertains to Judicial Council funding and supports the submission of this BCP.

Habeas Corpus Resource Center (\$TBD million).

Case Staffing Teams. Proposed ongoing General Fund augmentation to create four additional legal case teams to accept additional appointments in death-penalty post-conviction cases. This proposal is necessary to reduce the increasing backlog of inmates on California's death row who lack counsel for state habeas corpus proceedings. As of July 17, 2015, 358 inmates are without counsel, and nearly half of those inmates have waited for more than 10 years. In July 2014, a federal district court judge ruled that California's failure to adequately fund the post-conviction process has rendered California's capital punishment system arbitrary and thus unconstitutional. That order has been appealed, but the delays and concomitant constitutional violations will continue to worsen without additional funding for post-conviction counsel.

Comments, Alternatives Considered, and Policy Implications

An alternative to recommendations 7 is for the council staff to return to the Judicial Council before submission of the BCPs any time technical adjustments are necessary or unanticipated issues arise. This approach could cause delays in timely updating and submitting proposals, and for this reason, this alternative is not recommended. Council staff will report to the Judicial Council on changes made to the proposals in this report.

Implementation Requirements, Costs, and Operational Impacts

Not applicable.

Relevant Strategic Plan Goals and Operational Plan Objectives

The funding proposals requested for the appellate courts, Habeas Corpus Resource Center, Judicial Council, and Judicial Branch Facilities Program will address the strategic plan goals of Access, Fairness, and Diversity (Goal I); Modernization of Management and Administration (Goal III); and Quality of Justice and Service to the Public (Goal IV).

Attachments and Links

1. Attachment A: Department of Finance 2016–17 Budget Policy Letter #15-09, issued July 24, 2015

BUDGET LETTER

SUBJECT:	NUMBER:
2016-17 BUDGET POLICY	15-09
REFERENCES:	SUPERSEDES:
BL14-07, BL 15-01, AND BL15-05	14-12

TO: Agency Secretaries
 Department Directors
 Department Chief Counsels
 Department Budget and Accounting Officers
 Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

This Budget Letter sets forth the Governor's policy direction for his proposed 2016-17 Budget. As a reminder, BL15-05, issued May 27, 2015, outlines the technical and procedural requirements for preparation of the 2016-17 Governor's Budget.

Priorities

The Administration's overarching budget focus continues to be maintaining a structurally balanced budget that preserves critical state services and pays down state debts and obligations. Departments should seek to control costs and increase efficiency. Given the state's precarious fiscal balance and the expiration of Proposition 30 revenues, departments should refrain from creating new—or expanding existing—programs.

Budget Change Proposals (BCPs) and Enrollment/Caseload/Population (ECP) Policy

To maintain a structurally balanced budget, departments' ability to submit BCPs or ECP policy changes for the 2016-17 Budget remains limited.

Accordingly, departments (including those not under the Governor's direct authority) should limit BCPs or ECP policy changes for the 2016-17 Budget to the following circumstances:

- a. Statutory changes necessary for departments to manage within their budgets.
- b. Expected changes in programs' ECPs only as required under current law.
- c. Paying down state debts and liabilities.
- d. Reducing deferred maintenance.
- e. Existing or ongoing Information Technology (IT) projects.
- f. Existing or ongoing Capital Outlay projects.
- g. New Capital Outlay projects, if critical, such as fire, life, safety, or court-ordered projects.
- h. Cost-cutting measures or implementing efficiencies to offset unavoidable costs.
- i. Improved budgeting practices related to zero-base budgeting, performance measures, and other efforts as directed by Executive Order B-13-11.

In the event there is a critical need that does not meet the criteria outlined above and the agency secretary believes a new BCP or ECP adjustment is needed to address problems a department will or is encountering, contact your Finance Program Budget Manager before the BCP or ECP due date. **I strongly encourage you to work collaboratively with your Finance Program Budget Manager on a plan for prioritizing your budget requests.**

Departments should assess whether statutory changes (including budget bill language) are necessary to effectuate any BCP or ECP change that is submitted. If statutory changes are necessary, the department's BCP or ECP proposal must include a copy of the proposed legislation. This requirement is necessary for Finance to comply with its obligations under Government Code §13308 to submit proposed statutory changes to the Legislature, through the Legislative Counsel. BCPs, including requests for Budget Bill language changes, must be submitted to Finance no later than **September 2, 2015**. Contact your Finance Budget Analyst for ECP due dates.

FI\$Cal Wave 1 and 2 departments will enter or upload information directly into the new FI\$Cal System for 2016-17 BCPs and ECP changes and all non-Wave 1 and 2 departments will use the BCP template. Departments must use the July 2015 version of the BCP template, which has been posted on the Finance website and reflects the latest chart of account codes and several enhancements. Do not use older versions of the BCP template. The older versions contain outdated chart of account codes that will not upload properly to Hyperion. Departments may obtain the updated forms on the Finance website:
<http://www.dof.ca.gov/budgeting/forms/view.php>

Position Budget Transparency

Pursuant to the 2015-16 Budget, Government Code section 12439 was repealed. Departmental positions remaining vacant for six or more consecutive months will no longer be abolished. To improve budget transparency, Finance is implementing a new budget process and departmental budget display for the Governor's Budget which more accurately captures departments' true expenditures for personal services, staff benefits, and operating expenses and equipment. As part of this new budget process, departments will retain authorized positions and, if necessary, funding will be shifted to the appropriate expenditure category. The new process will be part of the 2016-17 budget development process and instructions will be provided in a forthcoming budget letter.

Budget Confidentiality

Information contained in BCPs and ECP proposals are an integral part of the Governor's deliberation process. Accordingly, proposals must be treated as privileged and confidential until and unless the proposal is released to the Legislature as part of the Governor's Budget, the April 1 Finance Letter process, or the May Revision. Disapproved, unapproved, and draft BCPs or ECP changes (i.e., proposals not released to the Legislature) remain confidential indefinitely, and may not be released. Final BCPs are those that contain a Finance supervisor's signature/approval attesting that the BCP has been submitted to the Legislature.

Questions about Public Records Act or litigation discovery requests for budget documents should be directed to department legal staff and, if necessary, to Finance legal staff.

If you have any questions about this Budget Letter, please contact your Finance budget analyst.

/s/ Michael Cohen

MICHAEL COHEN
Director