

1 **Rule 3-406. Budget and fiscal management.**

2

3 **Intent:**

4

5 To develop and maintain the policies and programs of the judiciary through sound fiscal
6 management.

7

8 To provide for sound fiscal management through the coordinated and cooperative effort of
9 central and local authorities within the judiciary.

10

11 To maintain accountability for appropriated funds, and to maintain a balanced budget.

12

13 To cooperate with the Governor and the Legislature in managing the fiscal resources of the
14 state.

15

16 **Applicability:**

17

18 This rule shall apply to the management of all funds appropriated by the state to the judiciary.

19

20 **Statement of the Rule:**

21

22 (1) **Fiscal programs and program directors established.** For purposes of fiscal management,
23 the judiciary is divided into programs. Each program budget is managed by a program director
24 designated by the state court administrator and approved by the Management Committee.

25

26 The budget of a geographic division shall be managed by the court executive subject to the
27 general supervision of the program director.

28

29 (2) **Budget management.**

30

31 (A) **Responsibility of the council.** The responsibility of the Council is to:

32

33 (i) cooperate with the Governor and the Legislature in managing the fiscal
34 resources of the state;

35

36 (ii) assure that the budget of the judiciary remains within the limits of the
37 appropriation set by the Legislature; and

38

39 (iii) allocate funds as required to maintain approved programs and to assure a
40 balanced judicial budget.

41

42 (B) **Responsibility of the state court administrator.** It is the responsibility of the state
43 court administrator to:

44

45 (i) implement the directives of the Council;

46

47 (ii) direct the management of the judiciary's budget, including ~~orders~~
48 recommendations to reduce or redirect allocations ~~upon notice to the Council;~~
49 and

49

50

51 (iii) negotiate on behalf of the Council the position of the judiciary with the
52 executive and legislative branches.

53

54 **(C) Responsibility of the administrative office.** It is the responsibility of the
55 administrative office to:

56

57 (i) clear all warrants and other authorizations for the payment of accounts
58 payable for the availability of funds;

59

60 (ii) monitor all expenditures;

61

62 (iii) provide monthly expenditure reports by court to court executives, program
63 directors, the state court administrator, Boards of Judges and the Council; and

64

65 (iv) develop a manual of procedures to govern the payment of accounts payable
66 and the audit thereof. The procedures shall be in conformity with generally
67 accepted principles of accounting and budget management.

68

69 **(D) Responsibility of the program directors.** Within their respective programs, it is the
70 responsibility of the program directors to:

71

72 (i) comply with the directives of the Council and the state court administrator;

73

74 (ii) administer the reduction or redirection of allocations;

75

76 (iii) monitor all expenditures;

77

78 (iv) supervise and manage court budgets in accordance with the manual of
79 procedures; and

80

81 (v) develop recommendations for fiscal priorities, the allocation of funds, and the
82 reduction or redirection of allocations.

83

84 **(E) Responsibility of court executives.** Within their respective courts, it is the
85 responsibility of court executives to:

86

87 (i) comply with the directives of the Council, the state court administrator, and the
88 program director, and to consult with the presiding judge and the individual
89 judges of that jurisdiction concerning budget management;

90

91 (ii) develop work programs that encumber no more funds than may be allocated,
92 including any reduction in allocation;

93

94 (iii) amend work programs as necessary to reflect changes in priorities, spending
95 patterns, or allocation;

96

97 (iv) credit and debit accounts that most accurately reflect the nature of the
98 planned expenditure;

99

100 (v) authorize expenditures;

101

102 (vi) prepare warrants and other authorizations for payment of accounts payable
103 for submission to the Administrative Office;

104
105 (vii) monitor all expenditures; and

106
107 (viii) develop recommendations for fiscal priorities, the allocation of funds, and
108 the reduction or redirection of allocations.

109
110 (F) **Process.** After the legislative general session the state court administrator shall
111 consider all sources of funds and all obligated funds and develop a recommended
112 spending plan that most closely achieves the priorities established by the Council at the
113 prior annual planning meeting. The state court administrator shall review the
114 recommended spending plan with the Management Committee and present it to the
115 Judicial Council for approval.

116
117 (3) **Budget development.**

118
119 (A) **Responsibility of the council.** It is the responsibility of the Council to:

120
121 (i) establish responsible fiscal priorities that best enable the judiciary to achieve
122 the goals of its policies;

123
124 (ii) develop the budget of the judiciary based upon the needs of organizations
125 and the priorities established by the Council;

126
127 (iii) communicate the budget of the judiciary to the executive and legislative
128 branches; and

129
130 (iv) allocate funds to the geographic divisions of courts in accordance with
131 priorities established by the Council.

132
133 (B) **Responsibility of the boards.** It is the responsibility of the Boards to:

134
135 (i) develop recommendations for funding priorities; and

136
137 (ii) review, modify, and approve program budgets for submission to the Council.

138
139 (C) **Responsibility of the state court administrator.** It is the responsibility of the state
140 court administrator to:

141
142 (i) negotiate on behalf of the Council the position of the judiciary with the
143 executive and legislative branches; and

144
145 (ii) ~~develop recommendations to implement~~ implement the Council's for fiscal priorities and
146 ~~the~~ allocation of funds.

147
148 (D) **Responsibility of the administrative office.** It is the responsibility of the
149 Administrative Office to:

150
151 (i) develop a schedule for the timely completion of the budget process, including
152 the completion of all intermediate tasks;

153
154 (ii) assist program directors and court executives in the preparation of budget
155 requests; and

156
157 (iii) compile the budget of the judiciary.

158
159 **(E) Responsibility of the program directors.** Within their respective programs, it is the
160 responsibility of program directors to review, modify, and approve budget requests.

161
162 **(F) Responsibility of court executives.** Within their respective courts, it is the
163 responsibility of court executives to:

164
165 (i) work closely with presiding judges, judges, and staff to determine the needs of
166 the organization; and

167
168 (ii) develop a budget request that adequately and appropriately meets those
169 needs.

170
171 **(G) Process.**

172
173 (i) Each Board of Judges, each court and committee and each department of the
174 administrative office of the courts may develop, prioritize and justify a budget
175 request. The courts shall submit their requests to the appropriate Board of
176 Judges. The committees and the departments of the AOC shall submit their
177 requests to the state court administrator.

178
179 (ii) The Boards shall consolidate and prioritize the requests from the courts and
180 the requests originated by the Board. The state court administrator shall
181 consolidate and prioritize the requests from the committees and departments.

182
183 (iii) The state court administrator shall review and analyze all prioritized budget
184 requests and develop a recommended budget request and funding plan. The
185 state court administrator shall review the analysis and the recommended budget
186 request and funding plan with the Council.

187
188 (iv) At its annual planning meeting the Council shall consider all prioritized
189 requests and the analysis and recommendations of the state court administrator
190 and approve a prioritized budget request and funding plan for submission to the
191 governor and the legislature.

192
193 **(4) General provisions.**

194
195 (A) Appropriations dedicated by the Legislature or allocations dedicated by the Council
196 shall be expended in accordance with the stated intent.

197
198 (B) All courts and the Administrative Office shall comply with the provisions of state law
199 and the manual of procedures.

200
201 (C) Reductions in allocations, reductions in force, and furloughs may be ordered by the
202 state court administrator with notice to the Council. In amending the work program to
203 reflect a budget cut, reductions in force and furloughs shall be used only when

204 absolutely necessary to maintain a balanced budget. If reductions in force are
205 necessary, they shall be made in accordance with approved personnel procedures. If
206 furloughs are necessary, they should occur for no more than two days per pay period.