



Minutes of February 19th CCOC Budget Committee Meeting

Approved at the Budget Committee meeting held on July 8, 2020.

The Budget Committee of the Clerks of Court Operation Corporation (CCOC) held a meeting via WebEx and in person on February 19, 2020. An agenda and materials were distributed prior to the meeting and posted on the CCOC website on the Budget Committee page:

<https://flccoc.org/committees/budget/>. Provided below is a summary of staff notes from the meeting. These staff notes are designed to document committee action, not to be a full record of committee discussions. All motions adopted by the committee are in **bold** text. All action items based on committee direction are in **red** and **bold text**.

1. Agenda Item 1- Call to Order and Introduction

The workshop was called to order by Clerk JD Peacock, Chair of the Budget Committee. Marleni Bruner, CCOC Senior Budget Manager called the roll.

On Call for meeting: Clerk Peacock (at CCOC office), Clerk Smith (arrived to call late), Clerk Burke, Clerk Chiders, Clerk Cooney, Clerk Crawford, Clerk Forman, Clerk Godwin, Clerk Green, Clerk Hand, Clerk Moore Russell, Clerk Spencer, Clerk Timman, and Clerk Vick

Absent from call: Clerk Bexley, Clerk Bock, Clerk Butterfield, Clerk Connell, and Clerk Kinsaul

2. Agenda Item 2 – Approve Agenda

With no adjustments to the agenda, it was approved without objections.

3. Agenda Item 3 – Approval of Minutes

The minutes from the January 21, 2020 meeting were presented for approval.

Motion to approve the minutes was made by Clerk Crawford and seconded by Clerk Vick. The motion was approved unanimously after no discussion.

4. Agenda Item 4 – Legislative Update

Budget and Communications Director, Jason Welty informed everyone on the clerk's two priority bills: Senate Bill 790/House Bill 591 and Senate Bill 590/House Bill 967.

One bill was to ensure that all Chapter 2008-111 changes were codified in statute. There were changes to the service charge area. Service charges have a dual purpose. Some service charges are for official records and some are for judicial records. Senate Bill 790 and House Bill 591 are moving very well through session. HB 591 was heard in its last committee stop on February 18, 2020 and passed unanimously. SB 790 was heard in its second committee stop on February 18, 2020 and passed unanimously. Chair for next committee for SB 790 agreed to place bills on agenda for next committee. SB 590 passed its second stop and HB 967 passed its last stop. Jason thanked Clerks Bexley, Timmann, and FCCC staff for continuously pushing these priorities and getting the information to the legislative staff.

Other Bills:

SB 1328/ HB 903 have been amended to reduce impact to clerks as originally filed; however, still an estimated \$10M impact. Jason thanked the legislative committee and legislative analysis team for getting the information in so quickly and thoroughly. SB 1328 passed out of its second committee stop on February 18, 2020. HB 903 has been heard in one committee and is sitting in its second committee stop where it has not been heard yet. There has been no indication that the bill is going to move any further. These bills are being monitored closely so that the CCOC staff's voices are heard. SB 1510/HB 7059 change the appellate court structure. All cases would go to District Court of Appeals instead of circuit court. The reason it is being tracked by CCOC is because of its fiscal impact on the clerks. There is currently a \$280 filing fee of which the clerk receives \$260 on cases that come from county court and go to circuit court. Cases that go from circuit court to DCA there is a \$100 filing fee of which the clerks receive \$80. Both bills have another stop and will be continuously monitored.

Clerk Peacock asked staff to report on the bills that have a fiscal impact because they impact budget development. He opened the floor for questions relating to these bills and how they impact budget development.

Clerk Jeff Smith wondered what the motivation is for courts to pursue county appeals to district court of appeals instead of circuit courts and if we had information on why that is important to them. Clerk Peacock did not know but referred Clerk Smith to the FCCC staff to see if they had the information; from Clerk Peacock's perspective it appeared to be a policy decision the courts wanted to go with and not done specifically for the fiscal impact to one area over the other.

Clerk Timmann gave a shout out to Jason Welty and team because doing a fiscal evaluation is a very grueling, arduous process with lots of changes at the last minute.

Clerk Peacock stated that the team pulls long days and long weeks during this time of the year and are greatly appreciated.

5. Agenda Item 5 – CFY 2019-20 Revenue and Trust Fund Updates

The August Article V Revenue Estimating Conference projected the clerks to collect for CFY 2019-20 a total statewide revenue of \$431 million. December is the fourth month of the twelve months used for the CFY 2019-20 budget revenue.

Total revenues reported for December 2019 were \$ 35,333,072.50. This amount is approximately \$633,072 or 1.82 percent greater than the monthly projection for December. Through the first four months, the REC expected clerks' revenues to be approximately \$139.3 million. Though four months, actual revenues are \$142.2 million, up approximately 2 percent.

Compared to November 2019, revenues were up \$2,358,392.97 or 7.15 percent, over the month from November 2019. The greatest increase from the previous month was in the Filing Fees category.

Compared to December 2018, revenues were up \$3.3 million, or 10.4 percent, over the year from December 2018. As a percentage, year-over-year Fines grew by the largest percent (15.8 percent increase). Filing fees had the largest dollar increase at \$1.6 million greater than December 2018.

As of Monday, February 10, 2020 the Department of Revenue (DOR) reports an ending balance of \$25,387,476.69 in the Clerks of Court Clearing trust fund. Trust Fund balance will decrease once the budget amendment is processed for the \$15.8 M from the cumulative excess and unspent budgeted funds revenue. Those amounts were netted against amount owed to or from the Trust Fund for settle-up and once it is processed about \$12.2 million overall will be sent out to clerks. The Trust Fund balance will then be approximately \$13 or \$14 million.

Revenue expectations are not set in stone and the final numbers needed to produce a budget will not be available until July.

September was a down month, October was up, November was down, December was up. It appears there is a holding pattern where it looks like the projection for the REC will be met but there will not be a tremendous increase over.

6. Agenda Item 6 - Budget Forms

The goal of the proposed forms is to make the budget request process easier on the clerks, their staff, the CCOC team and budget committee.

Clerk Peacock explained that the reason for capturing the loss of revenue or funding reductions conveys what the impacts of a loss of funding across the state would be. It is also statutorily required. He reviewed the development and style of the form.

Clerk Green asked when will forms be available. Clerk Peacock informed her that if there were no oppositions or extreme changes to be made then the forms would be available within the week. Clerk Green proposed that it would be beneficial to allow the committee members to view the forms and interact with them to see if they were as fluid as proposed before sending them out to all clerks. Clerk Peacock agreed that Clerk Green's idea was a great one and stated that Marleni Bruner would get the most recent forms sent out to committee members. He stated that about 2 weeks was a good amount of time for review and return comments to Marleni.

Clerk Forman asked Marleni Bruner to explain the "Continuation Budget" portion of the form. Marleni explained that this would be a request for the amount from your base budget to your current operational budget.

Clerk Vick raised a concern that two weeks was not enough time because the people in her office are currently busy doing financial statements and wanted to know if the feedback timeline could be extended. Clerk Peacock stated that the next budget meeting is scheduled for March 25th and that is when the committee would formally adopt the form. He proposed Monday, March 16th as the deadline to have the forms returned to Marleni.

Clerk Smith asked if there would be instructional WebEx training for staff after the form is adopted. Clerk Peacock informed him that there would be a training.

Clerk Moore Russell asked if individual counties would have to submit a request for a new judge if it has already been approved as a policy. Clerk Peacock stated that this is for if there are additional costs that were not included in the blanket costs for a new judge.

Clerk Moore Russell also asked if the 2008-111 were already codified as part of general revenue, why are they still being tracked on the revenue projection form. Jason Welty stated that the REC uses the information that is found here for their projections.

Clerk Peacock stated that the forms would be on the agenda for adoption at the next in-person meeting in March. **He also asked staff to send the form to the Budget Committee member so they could work with the forms and provide feedback before the next meeting.**

7. Agenda Item 7 – Budget Priorities Discussion

The Budget Committee will set some broad policy areas that will be priorities for the CFY 2020-21 budget request. The purpose of identifying these targeted funding areas is to establish a statewide direction in key policy areas to provide common ground for issues that need to be addressed. Additionally, establishing targeted funding areas will give the budget committee the ability to assess the needs of the clerks and to be able to communicate those needs more effectively.

Jason Welty reviewed the 8 items listed below:

- 1) MECOM
- 2) Criminal Justice Data Transparency
- 3) Compliance
- 4) New Law Changes
- 5) Shifting Court Expenditures back to the State from the County
- 6) Efficiencies Identified by MGT Report
- 7) Consider IT Projects
- 8) Performance Measures

Clerk Peacock opened the floor for suggestions on any additional items to add to the list.

Clerk Vick asked if the list would also include additional judges. Clerk Peacock explained that the additional judges are handled by the decision made last time relating to the base budget. The committee made the decision to include a number for a new judge in each county. It is already accounted as a priority in the base amount. Clerk Vick asked if the committee would evaluate any issues brought before them and determine whether they have a broad effect across the state. Clerk Peacock explained that there would not be enough money to fund every request so the committee should make judgement calls on what is priority. He stated that the committee should list what has the most weight in terms of priority. He wants to prevent a top down operation of these priorities and telling clerks what to fund. He prefers the clerks build their own business plans and understand what the committee feels are priority, factor that into their business plans and make the requests themselves.

Clerk Russell recommended that instead of identifying the actual projects call them legislative mandates or AOs from the Supreme Court. Instead of labeling them individually create a bigger umbrella that these projects would fall under.

Clerk Green agreed that the list is good but there should be a broader umbrella from budget year to budget year. She stated that for each budget year the priorities should be readdressed. The new law changes should also include new rule changes that deal with courts. AOs should be included as well but the list should not be too long.

8. Agenda Item – Case Counting Workgroup Project

The Case Counting Workgroup and the Business Rules Workgroup presented revised business rules for adoption. The case counting group would like each clerk to review their cases and look at the rules with their experts so they can tell clerks whether they were following the rules when submitting 2018-19 reports. If they did not follow the rules, they can revise the reports and get them sent to the CCOC.

Clerk Peacock thanked Gary Cooney and Denise Bell for their work on this project. He asked if Clerk Cooney wanted the clerks to do a self-audit for CFY18-19 and CFY19-20.

Gary stated they will start working with the numbers that they already have but if changes need to be made, they will go back and make those changes.

Clerk Moore Russell stated that she was not prepared to vote because she had not had enough time to review the rules and compare them to the old ones. She asked to table this item and go over it in March. Clerk Peacock stated that they would not vote and that they were just sharing the information. He said that the rules would be formally adopted in the March meeting. Cooney stated that he was unsure whether the timing would work if it were not adopted at this meeting. Clerk Peacock suggested putting it out in draft form for the clerks to review and look at how the rule change will affect what they have already reported with the intent of the committee formally adopting the rules in the March meeting.

Clerk Peacock requested CCOC staff to send out the revised Business Rules as proposed with a memo from Clerk Cooney.

9. Agenda Item 9 – Other Business

The next Budget Committee meeting is scheduled to be held at the Florida Hotel and Conference Center in Orlando on March 25th from 12:00 PM – 5:00 PM and is also available via WebEx.

Marleni Bruner updated the committee on the Operational Budget Technical Reviews. The first level of review has been completed and they are currently going through the second level of review. She hopes to have the operational budgets finalized by the March meeting.

Clerk Peacock thanked the committee and CCOC staff before adjourning the meeting.
