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Minutes of May 17, 2021, CCOC Budget Committee Meeting

Approved by the Budget Committee at their meeting held on June 14, 2021.

The Budget Committee of the Clerk of Courts Operation Corporation (CCOC) held a meeting in-person at the Clay County Courthouse and via WebEx on May 17, 2021. CCOC distributed an agenda and materials in advance of the meeting and posted on the CCOC website. Supplied below is a summary of staff notes from the meeting. Staff notes document committee action, not to be a complete record of committee discussions. All motions adopted by the committee are in **bold** text. All CCOC staff action items based on committee direction are in red and **bold** text.

Agenda Item 1 – Call to Order and Introduction

Clerk JD Peacock, Chair of the Budget Committee, called the meeting to order. Marleni Bruner, CCOC Senior Budget Manager, called the roll.

Present for the meeting in-person: Clerk JD Peacock, Clerk Tom Bexley, Clerk Ken Burke, Clerk Stacy Butterfield, Clerk John Crawford, Clerk Tara Green, Clerk Bill Kinsaul, Clerk Kellie Rhoades, Clerk Tiffany Moore Russell, Clerk Cindy Stuart, Clerk Carolyn Timmann, Clerk Angela Vick

Present via WebEx: Clerk Jeff Smith (Vice-Chair), Clerk Pam Childers, Clerk Gary Cooney, Clerk Brenda Forman, Clerk Carla Hand, Clerk Don Spencer

Absent from conference call: Clerk Greg Godwin (excused)

Agenda Item 2 – Approve Agenda

Clerk Peacock asked if there were any objections to adopting the agenda. **Hearing none, the committee adopted the agenda by consent.**

Agenda Item 3 – Approve Minutes from the Meeting on April 5, 2021

Clerk Moore Russell motioned to adopt the minutes and Clerk Crawford seconded the motion. Hearing no objections, the committee adopted the minutes by consent.

Agenda Item 4 – Statewide Budget Issues

Clerk Peacock referenced the meeting packet provided, explaining the hopes of streamlining a budget process statewide. This process concentrates on statewide budget issues so that the budget process is in favor of all counties. Referring to the spreadsheet, Clerk Peacock recapped the approved expenditure budget from the last year. After the committee approves an Expenditure Budget, a revenue number not related to clerks' workload will limit the clerks' budget authority for the upcoming year.

Health Insurance Increase

Clerk Burke said that he knew that in the past, the committee asked for the FRS and health insurance information; however, the Budget Committee reviewed the states' increases. Upon reviewing the states' increase, the Budget Committee previously decided to go along with the increase, as otherwise, counties have such a wide range when it comes to health insurance. Clerk Burke asked if the Budget Committee could use the state increase amount, as it is a fairer way to approach the situation.

Clerk Peacock asked if Jason Welty or Griffin Kolchakian knew what the state increase was this year. Jason Welty stated that while he did not know the state increase, he could find it and calculate the difference between last year and this year and apply it across the board for operational budgets to provide a similar increase for all counties in the estimate. Clerk Peacock said that would be a much easier way to calculate the increase, giving clerks the ability to say something if it were far off from each county's estimate.

Clerk Green said, from a philosophical perspective, she remembered that some counties had a much higher cost in insurance, and the philosophy was that CCOC would fund the average health insurance amount, but anything beyond would need to be independently funded from clerks going to their counties for money. She then asked what the contingency plan was for clerks who could not get funding from their counties and said that there should be a policy discussed. She stated she would be an advocate for a formal process for clerks going to counties to offset the higher cost, which will hold counties accountable for providing that funding.

Clerk Smith asked if the amount in Column G of the spreadsheet included in the packet included jury funding amounts. Clerk Peacock clarified that it does not.

Clerk Peacock clarified clerks could seek added funding if their amounts are above the statewide average, but otherwise, the committee would follow the statewide average.

Clerk Peacock asked the committee what the next step would be if clerks could not access funding assistance from their counties.

Clerk Green said that she believed it could be something pulled for discussion, because at the end of the day if there is extra money left over, the committee should want it to go to clerks who cannot get assistance. She then asked how the committee would correct a lack of county funding assistance long-term to keep policy consistency.

Clerk Peacock asked Clerk Childers to weigh in on this discussion, as she has previously led a workgroup that focused on health insurance among clerks from a policy standpoint. While awaiting her reply, Clerk Vick asked for clarification regarding the idea of a policy for health insurance among clerks, as the amounts ebb and flow. Clerk Peacock explained that a policy in place would allow for all clerks to flow simultaneously and by creating one statewide increase with the help of the state, it allows clerks to be financially enabled similarly in their budgets. Clerk Green explained that she did not think it would be fair for clerks to have to rely on other clerks, should their counties not be willing to contribute funding for their health insurance. Whether it be due to poor planning or expensive insurance plans, Clerk Green thinks that the policy in place should not hinder a certain county.

Clerk Crawford responded to Clerk Green's comment, explaining the presence of a timing issue, as all counties operate on different schedules. Clerk Burke explained that by following the state's increases, the clerks can go to their respective counties and tell them that they must make up the difference between the state increase and original funding. Clerk Green explained that by creating a uniform way, such as a letter, asking for money from the counties, the gap which comes from the range of resources by county will eventually close.

Clerk Peacock said that over the last few years, the committee requested counties to include their supplemental county funding in the operational budget. The Budget Committee does not need to get into the middle of the relationship between clerks and counties, but rather should use the numbers of case expenditures to observe the differences across counties.

Clerk Moore Russell explained from personal experience as a County Commissioner, that she does not think clerks should go straight to their counties for funding without any guidance from the association. Clerk Moore Russell explained the importance of the association helping the clerks seek funding from their counties for support, should the cost of health insurance continue to increase dramatically.

Clerk Green said that if a clerk has extra revenue or a little bit richer, the clerk community and Budget Committee need to know that so that the wealth can be spread evenly across the state. Clerk Kinzel explained that trying to have clerks go to their counties as donor counties, the Budget Committee should start with a balanced budget across each county. She stated the importance of court cost versus board costs. Clerk

Chorvat explained that budgets will never become even if there is not a statewide health insurance cost.

Clerk Peacock asked that the association take a broad look at health insurance from a statewide perspective. Clerk Peacock explained that clerks control their expenses, but revenue is out of clerks' control. There are demographic, relational, locational differences, and funding mechanics that alter the revenue amount, which does not explain how efficient a clerk is at their job.

Clerk Burke thanked Clerk Peacock for stating that perspective. He said that Pinellas County has been a donor county, as well as a recipient county over the years, but he wanted to supply a distinct perspective: The donors in 1998 decided that this is no longer local revenue but is now state revenue. This means that whether a dollar is collected in Escambia or Pinellas County, it is state revenue, and it is not local revenue because the voters changed that. While some like that model and some do not, but to change that model would require a constitutional amendment, and if clerks have local money to support them, that is fine. In budgetary terms, the money is state money regardless of where the money is made, and as much as people may not like that, the voters changed that, so the constitution must be changed if there is a desire for money to be made and kept within counties.

Clerk Moore Russell said that she agreed with Clerk Peacock, and the pandemic has changed the revenue factors. She explained that while she understands Clerk Burke's point, there should be a formula showing the revenue growth, as it does not pertain to a county's workload. There must be a correlation in a formula from the workload to the increase. Clerk Peacock explained that one of the challenges is how to translate the revenue and workload into numbers.

Clerk Kinsaul agreed with Clerk Kinzel, and while he understands Clerk Burke's point about state money, there are incentives and disincentives present. If clerks were to not recognize the amount of expenses a county has, there would be no incentive for a donor county to remain a donor county. There must be a concentration with across-the-board state increase, and counties will have to make changes within those categories.

Clerk Kinzel stated that clerks would be better off if clerks who could balance their budgets balanced it. Smaller counties struggle to get employees and raise their pay but are still donor counties. This is where problems come in with across the board increases and changes. She stated that as the budget gets cut, there must be an overall change in the philosophy.

Clerk Stuart explained that insurance must be observed from year to year as it inflates with the number of claims, which is never guaranteed to be the same. She said that an across-the-board change could be harmful, as not all counties face the same policy for health insurance.

Clerk Peacock explained that the simplest option is to recognize a statewide increase in the budgets of clerks, but this will only be efficient if all clerks' budgets are observed.

Clerk Cooney explained that an across-the-board increase may not be helpful, as some counties may not experience any increase at all. Clerk Peacock explained that it will become a complex process if there is an individual adjustment for each county, so he asked Clerk Cooney if he had a specific suggestion. Clerk Cooney explained that each county should simply put in their request, as opposed to putting in a plug number which might or might not help each county.

Clerk Peacock asked for a motion for a 6.6 percent increase and to ask counties if they need this added funding. **Clerk Smith motioned to use the state's increase of 6.6 percent and apply the increase to the clerks' operational budgets. Clerk Vick seconded the motion. Clerk Peacock asked for questions and debate.**

Clerk Vick asked for a clarification to the motion asking if the clerk does not need it the 6.6 percent increase, what will the clerk receive. Clerk Peacock explained that at the end of the day, the committee is building the proper expenditure budget, and all dollars available will be used statewide as they can. There was no debate. **The committee adopted the motion with one nay vote.**

Newly Created Judgeships

Clerk Peacock referenced the spreadsheet about the FTE for new judges. Clerk Peacock said that the number distributed toward this part of the base budget is close to \$1 million. Clerk Burke said that he knows it was strange that the governor vetoed the funding for the judges and asked if this is still in place for the coming year or if it will change. Clerk Peacock explained that if the governor does not veto it again, it will remain the same. Clerk Burke asked that this will not be for sure until the budget workgroup takes place. Clerk Timmann stated that on the timing of having those judges appointed, there is no solid timeline for this process.

Clerk Vick asked for clarification as to whether the current base budget spreadsheet includes the judges funded last year. Clerk Peacock explained that the committee did not include judges into the base budget last year. Clerk Peacock explained that once the Governor vetoed the funding, the committee removed the funding from the base-budget spreadsheet.

Clerk Green asked about a different method for funding judges. Clerk Peacock suggested the Legislative Committee look at trying to ask the Legislature to fund clerk positions as they fund more judges. There was more discussion about how the committee funds judges. As part of the discussion, the committee discussed a related topic about case weighting and confirming the case weights and using those to make decisions about new funding for new judges. Additionally, there was discussion about the level of service provided by the clerks and how the committee would factor that issue into the weighted cases and funding of clerks' budgets. Clerks Rhoades, Burke,

Peacock, Roth, Cooney, Chorvat, Kinzel, Timmann, and Kinsaul weighed in on the discussion.

Clerk Moore Russell moved the Budget Committee continue the current practice to allocate one FTE per newly created judgeship per county. Clerk Spencer seconded the motion. The motion passed unanimously.

Clerk Peacock charged Mr. Kolchakian with bringing back a new method for using the case weights in funding new judges in the future.

Additionally, Clerk Kinsaul asked to see a hypothetical budget by county using the case weights to distribute all the budget authority.

Minimum Wage

Clerk Peacock opened the discussion about the constitutional amendment regarding the increase in minimum wage. He recapped the discussion from the last committee meeting that the committee agreed to keep this column as an informational item. This column will be a recurring informational column for the next few years.

Clerk Butterfield brought up the issue of compression as the minimum wage rises. Clerk Peacock suggested clerks include the compression issues into this column in addition to the direct impact of raising wages to \$10 per hour for this year. There was consensus about this suggestion.

CFY 2021-22 Base Budget

Clerk Peacock reiterated to the committee the statutory requirement to have a budget submission by June 1. As was previously done, once the committee sets the base budget, the committee meets the June 1 deadline. The base budget is not locked in, and the committee can change it from this point. Once the committee decides upon new issues, CCOC will add those issues to the base budget and that number will become the new CFY 2021-22 Approved Expenditure Budget.

Clerk Burke raised an issue about the counties held harmless and the counties that took a larger reduction because of the held harmless counties in last year's budget. He was concerned that the committee was institutionalizing an inequity by approving the base budget without addressing this issue. Clerk Peacock explained this year's base budget does not include the reductions from last year, and the committee will be able to deal with this issue when making the reduction from the Expenditure Budget to the Revenue-Limited Budget. Clerk Crawford recommended as the committee moves forward to develop a methodology of who would be most harmed rather than exempting all fiscally constrained counties as the committee considers cuts for the CFY 2021-22 budget.

Clerk Peacock encouraged all clerks to submit additional issues to get to their needs-based budget. The committee may choose to adopt additional issues as a state-wide issue or may adopt individual clerk's issues. Clerks Burke, Vick, Moore Russell,

Timmann, Colonnese, Green, and Peacock commented about the needs-based budget and the importance of clerks understanding the budget issues should reflect the cost to operate the clerks' offices.

Clerk Burke suggested a clerk training-session, led by Clerk Peacock, to highlight the importance of submitting a needs-based budget.

Clerk Moore Russell motioned to adopt the tentative base budget and Clerk John Crawford seconded the motion. The motion passed unanimously.

Budget Request Form

Clerk Peacock called on Marleni Bruner to discuss the Budget Request Form. Ms. Bruner walked through the Budget Request Form highlighting the various tabs, and she provided a brief overview of how clerks should fill out the form. Additionally, budget training videos are available at www.flccoc.org.

Upcoming Meetings

- **The Budget Committee may meet via WebEx in June to discuss the funding for the Pandemic Recovery Plan.**
- **The July Budget Committee meeting will be a two-day meeting where the first day clerks will have the opportunity to present and defend their budget requests. The second day, the committee will make decisions on all the additional requests over and above the base budget. This meeting will set the Approved Expenditure Budget. The location of this meeting will be determined based on the dates selected by the Budget Committee during a doodle poll.**
- **The August Budget Committee meeting will be the meeting where the committee reduces the Approved Expenditure Budget to the Revenue-Limited Budget. This meeting will be held in the Orlando area.**
- **The Executive Council will meet the week after the August Budget Committee meeting, to take up the recommendations of the Budget Committee.**

Agenda Item 5 – Legislative Update

Clerk Timmann, Chair of the CCOC Legislative Committee, provided an update of the 2021 Legislative Session. Updates included information on appropriations and substantive legislative policy changes. The Legislature did not cut any recurring revenue items and provided \$6.25 million for the Pandemic Recovery Plan and the carryforward of \$2.4 million for the Juror Management.

Clerk Burke highlighted an article from the Florida Bar News and the notion that this year's legislative session "solved" the clerks funding model.

Agenda Item 6 – Pandemic Recovery Plan

Clerk Peacock called upon Jason L. Welty to explain the Pandemic Recovery Plan funding. The Legislature provided \$6.25 million to the clerks to assist the courts with the backlog of cases.

Clerk Peacock asked how the Committee should change the CCOC plan for the Pandemic Recovery Plan funding, given the changes made by the TCBC. Clerk Burke provided a copy of the Office of the State Court Administrator's (OSCA) Pandemic Generated Workload (PGW) analysis. He suggested the committee take the PGW, apply the PIE Committee case weights and divide the money by counties. Clerks Green, Peacock, Cooney, Timmann, and Roth commented on the discussion. Mr. Welty explained how staff could weight the court divisions and the analysis that could provide an allocation using the OSCA data.

Clerk Burke motioned that the Budget Committee accept the OSCA figures, CCOC staff will crosswalk the ten clerk court divisions into the seven court divisions identified by OSCA, and then weight those divisions with the PIE Committee's weights to come up with an allocation by county. Clerk Coloneso seconded the motion. The motion passed unanimously.

Jason Welty will provide the analysis as described in the motion and bring it back to the committee. Clerk Peacock said the Budget Committee will review it and if a different direction is necessary, the Committee could discuss it at the upcoming single-subject June WebEx committee meeting.

Clerk Vick asked about the accountability of expending the funding. Clerks Butterfield and Peacock did not plan on tracking the PRP funding separately as it may fund a variety of personnel costs (overtime, hiring of temp help, etc.). The funding will go in as a revenue source of the county and used for the general operations to help drive down the backlog.

Agenda Item 7 – Reserve Policy Workgroup Update

Clerk Peacock called upon Vice-Chair Jeff Smith to provide information about the Reserve Policy Workgroup. Clerk Smith stated that the workgroup met on May 13, and the next meeting is June 3. The workgroup has a first draft and will bring back recommendations to the Budget Committee for the June meeting.

Agenda Item 8 – Case Counting Workgroup Update

Clerk Peacock called upon Clerk Cooney to provide a report on the Case Counting Workgroup. In CFY 2017-18, the workgroup looked at three standard deviations and there were 28 counties with 104 different subcase types. This year, the workgroup looked at two standard deviation outliers and contacted 59 counties with 190 different subcase types.

Agenda Item 9 – Other Business

Clerk Peacock called on Clerk Vick to discuss the potential changes to the juror management funding process. CCOC successfully advocated for the carryforward of the \$2.4 million unspent funds from the current fiscal year, and the new process is a reimbursement, which should simplify the process for all the clerks. More information will follow when the bill is signed by the Governor.

The meeting adjourned at 2:18 PM.
