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Minutes of April 21, 2022, Budget Committee Meeting

Approved by the Budget Committee at the meeting held on May 26, 2022.

The Budget Committee of the Clerks of Court Operations Corporation (CCOC) held a meeting in person and via WebEx on April 21, 2022. An agenda and materials were distributed in advance of the meeting and posted on the CCOC website. 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.

Agenda Item 1 – Call to Order and Introduction

Clerk Tiffany Moore Russell, Chair of the Budget Committee, called the meeting to order at 1:12 PM. The meeting was turned over to Griffin Kolchakian, CCOC Budget and Communications Director, to conduct roll call.

Present In-Person: Clerk Tiffany Moore Russell, Clerk Jeffrey Smith, Clerk Ken Burke, Clerk Stacy Butterfield, Clerk Nadia K. Daughtrey, Clerk Grant Maloy, Clerk Cindy Stuart.

Present via WebEx: Clerk Joseph Abruzzo, Clerk Nikki Alvarez-Sowles, Clerk Pam Childers, Clerk Gary Cooney, Clerk John Crawford, Clerk Brenda Forman, Clerk Greg Godwin, Clerk Tara S. Green, Clerk Bill Kinsaul, Clerk Clayton Rooks, III, Clerk Carolyn Timmann, Clerk Angela Vick.

Absent: Clerk Tom Bexley, Clerk Carla Hand, Clerk Brandon Patty, Clerk Don Spencer.

Agenda Item 2 – Approve Agenda

A motion was made to approve the agenda by Clerk Stuart and seconded by Clerk Butterfield; the motion was adopted without objection.

Agenda Item 3 – Approve Minutes from 2/9/22 Meeting

Mr. Kolchakian presented the minutes of the February 9 meeting to the committee.

Chair Russell opened the floor for discussion. Clerk Alvarez-Sowles raised a question regarding the motion for Item #6 and pointed out a spelling error.

A motion was made to adopt the minutes with the noted changes by Clerk Daughtrey and seconded by Clerk Stuart; the motion was adopted without objection.

Agenda Item 4 – Legislative Update

Chair Russell introduced Clerk Timmann to present the Legislative Update. Clerk Timmann began her report by stating that the clerks had a successful 2022 Session. Two of the three issues that were approved by the CCOC Legislative Committee and Executive Council were approved by the Legislature. This includes year two of the Pandemic Recovery Plan funding (\$6.25 million of nonrecurring General Revenue) to allow the clerks to continue to address the backlog of cases. Also approved is continued funding for Jury Management Reimbursement; the \$11.7 million recurring appropriation remains the same and clerks received an additional \$3.3 million in carry forward funds to use next year. The third issue that was not approved this year was the reimbursement for Injunctions for Protection (\$3.2 million for approximately 80,000 injunctions for protection). The Sheriffs would be entitled to half of that amount, so for the clerks it would be about \$1.6 million. This issue will stay on the legislative list as well as adding the ability to seek funding for Baker and Marchman Act case reimbursements. Other items of note include the Legislature approving \$2.4 million in nonrecurring funds for the CCOC to build the database as part of the Guardianship Data Transparency Project. The employer portion of FRS costs increased through the legislative session for an impact of about \$3.4 million to the clerks statewide. All items discussed are awaiting the Governor's action.

Clerk Burke commented that success can be defined in many ways and from the bills we did have out there we can consider this Session successful. Clerk Burke stated that we basically have the same amount of money as last year, despite facing record inflation. We have an FRS impact of \$3.4 million which will have to be taken off the top because we have to pay FRS before we get to pay our employees. Clerk Burke stated that every other governmental entity is getting an hourly adjustment, including the State's 5.38%. This is disheartening because this is the most money-full session we have had in recent memory. He added that the art community seemed to be funded this year while the clerks are not. Clerk Burke wants to put into perspective where our budget is now and that we are below where we were in 2006; he does not know of any other governmental entity that is funded below the 2006 level. Clerk Timmann encouraged clerks and their staff to bring ideas for solutions forward. She stated that we all feel the pain that our staff feel when they don't receive pay increases while others are.

Clerk Burke also stated that indigency is another topic that needs to be discussed, including the \$11 million clerks' portion of these cases. He mentioned that this could be something we focus on from a budget angle in the near future.

Vice Chair Smith commented that, two years ago, clerks were asked to supply ideas on changing the counting law. He stated that this was going to be over a three-year period, but we haven't seen anything yet. Vice Chair Smith also echoed the salary increase comments. He stated that we are capped at the revenue the REC thinks we are going to bring in and that his budget appears to be lower than his pre-pandemic budget. Clerk Timmann responded that there are a few nuances with the REC that were not there before and asked Jason Welty, CCOC Deputy Executive Director, to provide a summary of the REC changes that give clerks more flexibility. Mr. Welty stated that we now have the Cumulative Excess and Unspent Budgeted Funds that we can build into future clerks' budgets. He stated that the CFY 2021-22 budget includes \$2.1 million of Cumulative Excess and \$9.9 million of Unspent Budgeted Funds. Next year, we will have \$9.8 million of Unspent Budgeted Funds available to build the upcoming budget; CCOC does not yet know what the Cumulative Excess amount will be. Clerk Burke stated that he understands what Mr. Welty is saying but this will not get us where we need to be. Clerk Butterfield mentioned a conversation she had with her county tax collector about pay-related issues. She says we should focus on the fact that we can't hire people because the minimum salary is too low and this directly impacts our ability to accomplish essential services. Clerk Daughtrey commented that she saw a gas station had a starting salary of \$15.50 an hour. Clerk Daughtrey stated that she is currently losing a Deputy Clerk due to pay. Clerk Daughtrey stated that it is frustrating that she put in two years of training for this employee and then they leave to make more money or the same amount of money. Clerk Maloy recommended that clerks build a coalition when approaching the Legislature, like we did this year. Clerk Timmann thanked everyone for their comments and suggested that this conversation should continue to be discussed and developed further during a Legislative Committee meeting. Chair Russell also thanked committee members for the discussion.

Agenda Item 5 – Indigency Update

Chair Russell called on Mr. Kolchakian to present the indigency update. Mr. Kolchakian reported that, at the February 9th Budget Committee Meeting, Clerk Burke requested a report that included a full year of civil and probate filing fees waived by indigency be included in today's meeting. Therefore, included in the meeting packet is a breakdown of indigent cases reported by county via the monthly Civil Indigency Report for CFY 2018-19 (the most recent fiscal year that was not affected by the pandemic). Mr. Kolchakian went over the report in detail. Clerk Burke referenced poverty rates by county. Clerk Burke stated that indigency applications could be something that is educated on in the future via the FCCC. Clerk Maloy commented that we should review the varying approval rate percentage by county and why. Clerk Green echoed Clerk Burke's comments and added that she really couldn't find any differences between the Peer Groups/counties when compared to other counties. Clerk Green stated that this could be a timing issue but, if you look at the total number of applications approved in some instances, they were statically more. Clerk Green also stated that if we are going to look at money for indigency we don't need to be part of the problem. She added that there needs to be an education for clerk staff on what the indigency report actually means. Clerk Green stated that most of these numbers are in family and that

there are situations where individuals are indigent, but she does not believe it is the number presented. Clerk Green wants to discuss this at future conferences and wants to ensure that we are providing education to staff prior to asking anything from the Legislature.

A motion was made for the CCOC to make a formal request to the FCCC to provide additional education on the indigency application process, including at future conferences, and for the CCOC to provide additional expanded indigency data by Clerk Burke and seconded by Clerk Stuart; the motion was adopted without objection.

Agenda Item 6 – Revenue and Expenditures Update

Chair Russell called on Mr. Kolchakian to present the revenue and expenditures update. Mr. Kolchakian provided a detailed summary of the revenues and expenditures to date, which is also included in the meeting packet. Mike Murphy was requested to present his updated revenue summary that is also included in the meeting packet. Mr. Murphy provided a detailed summary of the revenue data. Clerk Burke stated that it is concerning that the clerks' revenue came in below the monthly estimate and the year-to-date projection. Mr. Kolchakian stated that the REC projects each individual month and that this month was below the monthly estimate and that we are just below the annual estimate as well. Clerk Burke stated that it concerns him that we are trending in the wrong direction. Clerk Butterfield asked about the current status of outputs statewide.

Agenda Item 7 – Establish CFY 2022-23 Base Budget

Chair Russell provided a brief update on the budget development process so far. Chair Russell stated that, in February, the committee established the Reserve Fund calculation at 10% and voted to roll the additional actual Cumulative Excess from CFY 2020-21 (about \$1 million) into the CFY 2022-23 budget. The committee also approved the budget request submission forms in February. Today, the committee plans to establish the CFY 2022-23 Base Budget. Using the current operating budget as a starting place provides a true funding level each county is currently at. The total available revenue for CFY 2020-21 was just under \$445 million dollars; based on current REC projections, the total available funding for the upcoming budget year is projected at about \$449.7 million, which is a slight increase from last year. Based on these numbers, the Chair recommends that the committee establish the Base Budget at \$444.8 million (the CFY 2021-22 Revenue-Limited Budget). Chair Russell opened floor for discussion, debate, and comments. Chair Russell stated that the clerks should submit to this committee any request they have above the Base Budget.

Clerk Cooney commented on the FRS increase and the case count methodology. Clerk Kinsaul stated that the clerks' budget should be based on the work they do as required by statute. Clerk Butterfield commented on the FRS increased cost as well as the use of weighted cases. Clerk Alvarez-Sowles agreed that an FRS increase should be included in the Base Budget. She also referenced the Needs-Based Budget and that

she wants to look at updating related forms to identify funding information to capture actuals from the end of the year, not just the beginning. Clerk Alvarez-Sowles stated that this data could tell us what other funds are being used to support court operations. Clerk Green stated that, if we are going to add the \$3.4 million FRS increase to the Base Budget, we still need to go through the process to allocate the remaining \$1.5 million. She stated that there may be offices that need that money and that the specific needs of offices need to be priorities instead of an across-the-board increase. Clerk Kinsaul commented that the issues like FRS, COLA, and health insurance cannot be judged between different counties. He said that we should go back to developing the budget based on cases and revenues. Clerk Kinsaul stated that we get paid to process cases and that the budget needs to be based on this. Emily Toner read a question asked in the chat box: is it necessary for all clerks to do an FRS issue request? All offices will be affected by this, so can it be included in the Base Budget? Chair Russell stated that this is the issue currently being discussed. Clerk Timmann clarified that the \$3.4 million is an estimate for the FRS increase and can change daily based on staff changes. She feels that it's important to have FRS factored into the budget, whether it is a part of the Base Budget or a separate issue, and that it needs to be an actual number based on a calculation rather than just the estimated \$3.4 million.

A motion was made to approve the Base Budget to be comprised of the \$444.8 million and an FRS increase by Clerk Daughtrey and seconded by Clerk Stuart; the motion was adopted without objection.

Chair Russell stated that the question on the table is how clerks want to handle the FRS increase process. Clerk Butterfield stated that it needs to be based on the Operational Budget and the positions that we currently have; it would be the same people but with the new rates.

A motion was made directing the CCOC to calculate the FRS increase based on the Operational Budget submissions by Clerk Butterfield and seconded by Clerk Burke; the motion was adopted without objection.

Agenda Item 8 – Revenue-Limited Budget Methodology Discussion

Chair Russell reminded clerks that June 1 is the deadline to submit any requests above Base Budget. Clerk Burke commented that, in the past, there have been clerks that were not aware they can submit a true Needs-Based Budget. He stated that the CCOC should ensure that clerks are aware of the Needs-Based Budget submission. Clerk Burke stated that we need to do a better job in defining what a Needs-Based Budget is. Clerk Burke stated that there needs to be in bold on the certification letter that this is your Needs-Based Budget which will make you fully operational. Clerk Butterfield stated that she would like to see the calculation of weighted cases applied to the entire budget. Clerk Burke stated that he does not have faith in those numbers because there are counties within his Peer Group that count cases but don't really perform any work on those specific case. Mr. Welty stated that we can use these numbers to show the Legislature what the real needs of the clerks are. Clerk Daughtrey stated that she

agrees with Clerk Burke that those numbers reported aren't the most accurate since a lot of counties do their case processing differently. Clerk Kinzel commented that there is a statutory requirement that all clerks submit a balance budget. Further discussion will be addressed at upcoming Budget Committee meetings.

Agenda Item 9 – Workgroups Update

Chair Russell called on Clerk Maloy and thanked him for chairing the Compliance Workgroup. Clerk Maloy provided an update on the Compliance Workgroup and stated that a draft of the Best Practices Checklist was presented to the PIE Committee to collect recommendations. He stated that this issue is not about how much money you are collecting, but rather if you are doing whatever it takes to collect as much money as possible. Clerk Maloy stated that there are plenty of new technologies for best practices, such as texting reminders, that take you right to your ticket. He stated that these are technologies we should all be using, and we should help each other get there. Clerk Burke mentioned the default rate for payment plans for Operation Green Light. He asked Clerk Maloy if, as part of this workgroup, he would look at those numbers and see which counties have a high compliance rate. Clerk Maloy stated that we could get those numbers from CCOC and that his compliance program requires them to do payment plans.

Chair Russell called on Shannon Ramsey-Chessman to report on behalf of Clerk Abruzzo for the New Judges Funding Workgroup. Mrs. Ramsey-Chessman stated that the workgroup has had two meetings so far and has engaged OSCA to identify the methodology that OSCA uses when certifying a new judge. The workgroup is in the process of putting together a formula, including the concept of one courtroom administrator or court room clerk for each new judgeship. This aligns with the Courts' concept of one JA to one judge. She stated that OSCA has devised formulas that are based on either the number of cases that the judge has or the number of judgeships. She stated that the workgroup will test this formula on medium and small counties to see if it appears to have a rational foundation. She said the more objective the calculation can be, the more likely the Legislature will adopt it. Chair Russell asked Mr. Welty to explain the legislation that passed this year and how it addresses the new judge appropriated to Lake County. Mr. Welty explained that the bill gives CCOC the authority to create this formula. As long as the Governor signs the bill, the committee can proceed with creating this formula. Chair Russell stated that, in the past, we provided around \$65,000 per new judge, but based on this formula it's going to be more. Clerk Burke stated that the formula does not need to be funded from what we already have. Chair Russell asked if we will have the ability to request additional funding for the new judge created for Lake next year. Mr. Welty stated that next year we can go to the Legislature and request General Revenue funding for this newly appropriated judge. Clerk Burke stated that we need to address the added associated cost. Mrs. Ramsey-Chessman stated that the intent of the calculation is to provide that, if the Supreme Court certifies a new judge, we propose the need for one courtroom clerk and either one, two, or three additional support staff to process cases associated with that new judge. Clerk Burke stated that clerks and the courts should go in front of

the Legislature with an agreement that both entities receive additional funding when a new judge is approved and would like to get that commitment from OSCA. Clerk Alvarez-Sowles stated that the Legislature must ensure clerks are fully funded through the fines, fees, and service charges. She stated that, in the past, we haven't had a lot of success with getting additional funds from the Legislature. Clerk Alvarez-Sowles recommends clerks go to the Legislature and request to raise our fines and fees in order to fully fund court operations.

Chair Russell called on Clerk Godwin to report on the Cost of Living Component Workgroup. Clerk Godwin stated that the workgroup met on March 16. He stated that cost of living is vastly different throughout the State from county to county. He believes a recommendation will be presented soon. The workgroup plans to meet within the next couple of weeks. Clerk Godwin stated that this issue is very difficult to address without a consistent source of revenue to rely on each year. Clerk Alvarez-Sowles asked Clerk Godwin if the workgroup plans to investigate a living wage by county and stated that MIT puts out a living wage calculator. Clerk Godwin responded by saying that the MIT calculator is one of the things the workgroup will look at as well as the Florida Price Level Index. The workgroup is also looking into the competitive area differential.

Chair Russell acknowledged the previous request made by Clerk Alvarez-Sowles regarding an additional potential workgroup and stated that this will be addressed. Chair Russell asked CCOC staff to follow up with Clerk Alvarez-Sowles before the next Budget Committee meeting.

Clerk Butterfield stated that weighted cases are just one part of the story and that the budget process needs to be taken to the next level, like peeling back the layers. This includes the work that is done and the services provided by the clerks. She recommends that one clerk from each Peer Group take the lead in their Peer Group and come together to develop a list to identify the top processes, differences in processing, and determine how we would use that in the decision-making process.

Mr. Kolchakian announced that there is a virtual budget training on Thursday, May 5 at 2:30 PM via WebEx. He also stated that the CFY 2021-22 Operational Budgets have been submitted and additional technical reviews have been completed.

Chair Russell thanked all the clerks who traveled to Gainesville to attend the Budget Committee Meeting in person and all the clerks who joined via WebEx.

Chair Russell adjourned the meeting at 3:39 PM.
