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Minutes of August 24, 2022, Budget Committee Meeting

Approved by the Budget Committee at the meeting held on December 5, 2022.

The Budget Committee of the Clerks of Court Operations Corporation (CCOC) held a meeting on August 24, 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 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 9:00 AM. 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 R. Smith, Clerk Nikki Alvarez-Sowles, Clerk Tom Bexley, Clerk Stacy Butterfield, Clerk Pam Childers, Clerk Gary Cooney, Clerk John Crawford, Clerk Greg Godwin, Clerk Grant Maloy, Clerk Brandon J. Patty, Clerk Cindy Stuart, Clerk Carolyn Timmann.

Present via WebEx: Clerk Joseph Abruzzo, Clerk Nadia K. Daughtrey, Clerk Brenda Forman, Clerk Tara S. Green, Clerk Carla Hand, Clerk Bill Kinsaul, Clerk Clayton Rooks, III, Clerk Donald Spencer, Clerk Angela Vick.

Agenda Item 2 – Approve Agenda

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

Agenda Item 3 – Approve Minutes from 5/26/22 Meeting

Chair Russell presented the minutes of the May 26, 2022, meeting to the committee.

A motion was made to adopt the minutes by Clerk Godwin and seconded by Clerk Alvarez-Sowles; the motion was adopted without objection.

Agenda Item 4 – Budget Presentations

Chair Russell stated that, in June, each clerk's office had the opportunity to submit to the CCOC any budget needs over the approved Base Budget; today clerks can present these issues to the committee if they choose to. Chair Russell reminded the committee that they have already approved the \$448.3 million Base Budget which includes \$3.5 million for FRS increases. Based on the available revenue set by the REC, there is only \$4.9 million of available funding to be allocated. Chair Russell stated that there are 27 clerks' offices that have opted to present, 19 in-person and eight virtually. Chair Russell called on Mr. Kolchakian to give the committee a brief overview on the budget requests submitted. Mr. Kolchakian stated that there are 64 counties that submitted a request above their Base Budget amount totaling \$32.9 million. When you add the \$3.5 million for FRS funding included in the Base Budget, that totals \$36.4 million. The Base Budget plus the total requests equals \$481.2 million, a 7.3% increase over the Base Budget and an 8.2% over the current year budget. Mr. Kolchakian detailed other categories of funded requested. Clerk Smith asked Mr. Kolchakian to clarify to the committee that the \$4.9 million is already in the budget options included in the meeting packet. Mr. Kolchakian confirmed.

Brevard, Citrus, Duval, Glades, Hernando, Highlands, Hillsborough, Jefferson, Lake, Leon, Martin, Pasco, Pinellas, Polk, Seminole, St. Lucie, Volusia, and Collier Counties presented their budget issue requests to the committee in-person. Clay, Hendry, Lee, Levy, Manatee, Marion, and Suwannee Counties presented virtually via WebEx. Due to time constraints for this meeting, Nassau and Broward Counties graciously agreed to waive their budget presentations. Clerk Patty asked each presenter if they receive court-related subsidy funding from the county. Other questions asked of presenters included the number of current vacancies and plans to fill them, FRS detail, compliance services information, the effectiveness of temporary staff, as well as other issue-specific questions and comments.

Agenda Item 5 – Approve CFY 2022-23 Needs-Based Budget

Chair Russell stated that it is important to clarify the difference between the Needs-Based Budget and the Revenue-Limited Budget. The Needs-Based Budget gives our legislative team data which allows them to show the Legislature the clerks' true budgetary need. This is separate from the Revenue-Limited Budget that is the actual operating budget we will approve later today. The Needs-Based Budget allows clerks to calculate how much they actual need to run their offices by adding the requested budget issues to the approved Base Budget.

A motion was made to approve the CFY 2022-23 Needs-Based Budget by Clerk Butterfield and seconded by Clerk Cooney; the motion was adopted without objection.

Clerk Maloy asked for clarification that what we are approving is the \$501.4 million Needs-Based Budget, including jury funding and Pandemic Recovery Plan (PRP) funding, and by approving this number we are just letting the Legislature know what

we truly need. Chair Russell answered that this lets them know exactly what we need to operate our offices. This also lets legislators know what we need to stay competitive with the private sector and what we need in order to pay our employees a meaningful wage. Clerk Green asked how the PRP funds are going to be allocated during the new fiscal year. Mr. Kolchakian stated that the committee established the \$6.25 million PRP Year Two funding to use the same allocation as the current year.

Agenda Item 6 – Revenue and Expenditures Update

Chair Russell called on Mr. Kolchakian to give the revenue and expenditures update. Mr. Kolchakian provided an update on statewide year-to-date revenues and expenditures.

Agenda Item 7 – July Revenue Estimating Conference (REC) Results Update

Chair Russell called on Mr. Kolchakian to provide an update on the recent REC meeting. Mr. Kolchakian stated that, in July, the REC met to set revenue projections for the upcoming fiscal year. The Conference projected both the CFY 2022-23 total revenue estimate as well as the projected cumulative excess amount for the current fiscal year. The REC increased the December REC projection almost \$3 million from \$438.1 million to \$441 million. They also increased the clerks' share (50%) of the Cumulative Excess estimate from December from \$1 million to \$1.6 million. This is a total increase of \$3.5 million from the December REC projections and a \$8.4 million year-over-year increase, of which the committee has already approved \$3.5 million for the FRS increase. This leaves \$4.9 million of the total \$453.2 million for available funding that can be allocated today to build the CFY 2022-23 Revenue-Limited Budget. Mr. Kolchakian identified the main drivers of this increased estimate, including the return to normal in civil traffic, the slight increase in filings for small claims, and the increase in collection efforts by the clerks. Ultimately, the Conference adopted the CCOC forecast.

Clerk Smith credited Mr. Welty on how he represented the clerks at the Conference. Clerk Stuart also gave Mr. Welty credit as well as the OSCA representative that presented. Clerk Butterfield clarified that the \$453.2 million of available revenue is approximately \$30 million less than the approved Needs-Based Budget.

Agenda Item 8 – Budget Deliberations/Approve Revenue-Limited Budget

Chair Russell stated that the committee has \$4.9 million of available funding to distribute today. Chair Russell stated that we first need to address the new judge that was allocated to Lake County. Chair Russell mentioned that, in the past, the committee has allocated one additional FTE per new judge. For Lake County, this would total \$57,685. Chair Russell also referenced the work of the New Judges Funding Workgroup. Clerk Bexley stated that he supports the allocation of one new FTE for each new judge and that funding five FTE for Lake County is probably not realistic this year. Clerk Butterfield asked Clerk Cooney what would work for him at this point in the

process. Clerk Cooney stated that two additional FTE would work. Clerk Smith stated that we need to study this and determine how to address this in the future, including if we are going to amend the clerks that have already received FTE for judges in the recent past. Clerk Crawford identified a situation where a county can be transferred a new judge from another county which means that the counties will have to reconcile the funding for a FTE. He asked if the committee has made a formal recommendation because we need to solve this. Chair Russell stated that it is on the agenda today. Clerk Patty stated that it is important the clerks stay transparent and consistent; he recommends that since one FTE has been what was allocated in the past for a new judge, we keep doing this and then later, if we want to replace this with what the workgroup has developed, we can.

A motion was made to approve \$57,685 of funding and one additional FTE for the new judge in Lake County by Clerk Smith and seconded by Clerk Butterfield; the motion was adopted without objection.

Clerk Butterfield agreed with what Clerk Patty said because it gives us the opportunity to maintain consistency by using what we have done in the past while the workgroup develops and finalizes its formula. Clerk Cooney stated that he agrees with the committee's motion, but, if the workgroup recommendation of five FTE gets approved, then we should make a request for next legislative session to fund the FTE.

Chair Russell stated that the committee has options on how to allocate the remaining available funds. Chair Russell said that last year the committee utilized a 60/40 weighted workload breakdown. She then opened the floor to discussion. Clerk Patty stated that he wants a motion to fund all the compliance efforts issues which total \$395,735.

A motion was made to fund all requested compliance issues by Clerk Patty and seconded by Clerk Crawford who later withdrew the second; the motion was withdrawn.

Clerk Butterfield commented that she appreciates compliance efforts but is not in favor of funding these specific issues because some offices have moved existing staff into compliance services. Clerk Maloy agreed with Clerk Butterfield saying that it is not fair to other counties that have already set up their compliance efforts without an additional funding allocation. Clerk Patty said that he is looking at it from the Corporation's best interest to maximize revenue which maximizes our budget available. Clerk Patty stated that, under the current funding model, it is important to increase our collection efforts. Clerk Butterfield commented that a clerk may have already recognized the need to put more efforts into compliance and could have moved a position to do so and then later found out that they need someone new to fill that open position. Clerk Butterfield stated that if we are going to pick a position to fund then all position should be funded. Clerk Childers agreed with Clerk Butterfield and believes the committee should move forward with the first option presented because offices have compliance staff in a lot of different areas. Clerk Childers commented that she agrees with the first option to let each clerk decide what they want to do with the

additional funds. Clerk Green stated that the \$4.9 million could be allocated by funding the health insurance requests, the additional FRS requests, and the new judge funding which totals \$4.8 million. Clerk Crawford stated that he agrees with Clerk Green and that these discussions can potentially turn into criticism against fellow clerks. Clerk Crawford then withdrew his second to the motion.

Chair Russell stated that the first option included in the packet allows clerks' offices to take the allocated funds and do what they need to however they see fit. Clerk Butterfield commented that since we some counties did not report that they need additional health insurance and FRS funding, we can assume that they do not need it. Clerk Butterfield also stated that health insurance rates are all over the board. Clerk Butterfield stated that she is happy with the work that has been done on weighted cases and the work that Clerk Cooney has done on the verification of it. Clerk Butterfield stated that she supports implementing a pro rata share of the \$4.9 million because everyone's budget issues are similar. Clerk Cooney stated that we need to take care of FRS and health insurance needs. Clerk Alvarez-Sowles stated that she did not support an allocation method that used 100% of weighted cases. Clerk Butterfield said that she supports an equal allocation across-the-board.

A motion was made to approve one FTE for the new judge in Lake County and then distribute the remaining funding via a pro rata distribution to every county by Clerk Smith and seconded by Clerk Alvarez-Sowles; the motion was adopted without objection.

Clerk Butterfield commented that the point behind this methodology is, because of the limited amount we have and how nuanced all the needs are, you can take the funds and use them where you need them most. Clerk Bexley stated that a pro rata allocation is the best option. Clerk Green asked if we approve this across-the-board allocation, is there a chance that someone is getting an increase and doesn't really need it because they did not submit any budget issues. Clerk Smith commented that a pro rata distribution allows the individual clerks to decide where to put their share of the funds and what their top priorities are. Clerk Patty reiterated the need to focus on compliance efforts and asked Mr. Kolchakian if he could break out the allocation with the requested compliance issues included. Clerk Butterfield stated that compliance is important but spending this small amount on compliance won't produce the results that we want. Clerk Daughtrey stated that DeSoto has a compliance department and that they produce a collections report. Clerk Daughtrey mentioned the health insurance issues that are based on what was submitted back in June. Clerk Timmann asked if the FRS increase included in the Base budget is for every clerk regardless of if they submit a FRS increase issue. It was confirmed.

Agenda Item 9 – Other Business

Chair Russell called on each chair of the committee workgroups to provide an update. Clerk Godwin was given the floor to provide an update on the Cost of Living Component Workgroup. Clerk Godwin stated that the uncertainty of revenues makes this work very

difficult. He stated that the workgroup proposes three potential options which are included in the meeting packet. Clerk Alvarez-Sowles thanked Clerk Godwin for leading this workgroup and all the information provided. Clerk Alvarez-Sowles has concerns with the option that uses the Florida Price Level Index (FPLI) because it was created to fund schools so there may be components within the metric that are not relevant to clerks. Clerk Alvarez-Sowles stated that she can agree with the second and third options presented or even a combination of the two. Clerk Godwin stated that Mike Murphy compiled the information and that he agrees with her comments on the FPLI. Clerk Godwin stated that the workgroup looked at several different models to see how they would potentially play out but that it is very difficult to find anything that takes each county into consideration. Chair Russell stated that she thinks the workgroup should continue into the next budget year. Clerk Butterfield stated that she thought the purpose of this workgroup was to find a methodology that can be applied to the Base Budget that addresses the cost of living. Clerk Butterfield agrees that the workgroup should continue into CFY 2022-23. Chair Russell stated that the Cost of Living Component Workgroup will continue into next year.

Clerk Maloy was given the floor to provide an update on the Compliance Workgroup. Clerk Maloy stated that there are a lot of different ways that compliance can be done, but if we know what everyone is doing it makes the job a lot easier. The workgroup updated the existing best practices checklist, including an emphasis on technology, payment plan, and automatic payments. Clerk Maloy stated that we should be trying to make everyone the best compliance offices they can be and that the CCOC could create a tool kit to collect compliance information. Clerk Green stated that there is not sufficient data on the compliance programs and that having that data can give us a better idea what compliance programs currently look like. Clerk Butterfield stated that the committee needs better data that is more analytical and less subjective. Clerk Timmann mentioned that there is overlap with this workgroup and the FCCC Best Practices Workgroup. Clerk Roth mention that the PIE Committee can take this workgroup on moving forward. Clerk Smith asked Clerk Bexley if he thinks that this would help legislative efforts. Clerk Bexley confirmed that anything that supports the idea that we are doing everything we can in the compliance department is always helpful. Clerk Maloy commented that we need to be like the private sector when it comes to compliance and that there needs to be a simpler form for traffic tickets. Clerk Roth told Clerk Maloy that it will be put on the agenda for the next PIE Committee meeting. This workgroup will now be absorbed into the PIE Committee as well as the FCCC Best Practices Workgroup moving forward.

Shannon Ramsey-Chessman was given the floor to provide an update on the New Judges Funding Workgroup on behalf of Clerk Abruzzo. Mrs. Ramsey-Chessman stated that the workgroup took a two-step approach in dealing with this issue based on conversations with OSCA and reports from the National Center for State Courts. Mrs. Ramsey-Chessman stated that the first thing that was done was developing a one-to-one ratio where one new judge added equals one new courtroom clerk added. Step two focused on determining how long an employee is spending working on a case that is moving through the system. Mrs. Ramsey-Chessman mentioned that this is hard to

calculate because we don't know what division that judge is going to be in so averages are used. Mrs. Ramsey-Chessman stated that case counting is another portion of this formula that is being looked at, and Clerk Cooney is going to get with his workgroup on case counting to verify case data. Mrs. Ramsey-Chessman goes on to mention that once the committee approve the model, it will be turned over to the CCOC to determine the cost of the position and then submit a budget request to the Legislature. Chair Russell asked Mrs. Ramsey-Chessman to seek volunteers from a small and medium sized county to review their case data as well. Clerk Alvarez-Sowles mentioned that a civil case can be closed for lack of activity within 12 months and that this could potentially affect the need for a new judge. Clerk Cooney mention that the new judge calculation used new cases filed over the past three years. Clerk Timmann mentioned a previous proposal that developed a more automated formula to determine the number of FTE needed. The workgroup will continue to validate the cases in both Lake County and other counties to finalize the formula and bring this back to the committee for approval.

Chair Russell called on Mr. Kolchakian to give an update on Jury Reimbursement and the Pandemic Recovery Plan. Mr. Kolchakian stated that this past quarter for jury reimbursement was the highest quarter of expenditures ever at \$3.8 million which brought the SFY 2021-22 total to \$13.5 million. Quarter 3 and Quarter 4 were \$3.4 million and \$3.8 million and, if we continue at that pace, we will be over-expended this year and would have to reduce reimbursements at some point. Mr. Kolchakian stated that we originally projected to have \$3.3 million in carryforward funding but now it's actually \$2.3 million. Mr. Kolchakian announced that 100% of the Pandemic Recovery Plan dollars were fully spent for SFY 2021-22. He also thanked legislative staff on the call for both of these important funding sources to help support the clerks.

Chair Russell opened the floor to public comment. Sarah Couture, Florida State Director of the Fines and Fees Justice Center, came forward to present on the current state of the clerks' revenue. Clerk Maloy asked if those numbers presented were adjusted for inflation. Mrs. Couture stated that the numbers came from the CCOC Annual Report and the Courts' numbers were pulled from Transparency Florida.

Chair Russell adjourned the meeting at 2:25 PM.

ADDENDUM

At the December 5th Budget Committee meeting, it was requested that additional information from the budget presentations at the August 24th meeting be provided in the meeting minutes. Therefore, this addendum has been added to the meeting minutes:

At the August 24th Budget Committee meeting, clerks had the opportunity to present budget issue requests that were submitted. Issues presented include funding associated with new judges, additional FRS costs, additional health insurance costs, new FTE needed, pay and benefits issues including cost-of-living adjustments, compliance issues, various cost shifts, and IT issues. Presenters also voiced concerns with the insufficient available funding for clerks to carry out their statutorily required duties. Presenters referenced the difficulty in hiring and retaining employees, especially when the counties, the State, and the private sector are providing significant pay raises. Further detail on the budget issue requests can also be found in the meeting packet for the August committee meeting.

When submitting the budget issue requests in June, each clerk had the opportunity to include supporting documentation if they felt it necessary. CCOC staff compiled and reviewed all supporting documentation that was submitted. If you are interested in obtaining a copy of any of these documents, you can contact CCOC staff.