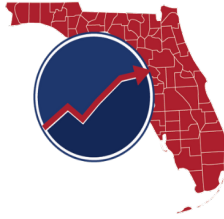


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**FLORIDA CLERKS OF COURT
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Minutes of May 17, 2023, Budget Committee Meeting

Approved by the Budget Committee at the meeting held on June 22, 2023.

The Budget Committee of the Clerks of Court Operations Corporation (CCOC) held a meeting on May 17, 2023. 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**.

Agenda Item 1 – Call to Order and Introduction

Clerk Tiffany Moore Russell, Chair of the Budget Committee, called the meeting to order at 1:08 PM. The meeting was turned over to Rafael Ali, CCOC Budget Manager I, to conduct roll call. Mr. Ali called the roll.

Present in-Person: Clerk Tiffany Moore Russell, Clerk Greg Godwin, Clerk Nikki Alvarez-Sowles, Clerk Tom Bexley, Clerk Ken Burke, Clerk Stacy Butterfield, Clerk John Crawford, Clerk Tara Green, Clerk Bill Kinsaul, Clerk Crystal Kinzel, Clerk Brandon Patty, Clerk Cindy Stuart, Clerk Carolyn Timmann, Clerk Angela Vick.

Present via WebEx: Clerk Joseph Abruzzo, Clerk Pam Childers, Clerk Nadia Daughtrey, Clerk Brenda Forman, Clerk Carla Hand, Clerk Grant Maloy, Clerk Don Spencer.

Absent from meeting: Clerk Gary Cooney, Clerk Clayton Rooks, III, Clerk Rachel Sadoff.

Agenda Item 2 – Approve Agenda

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

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

Chair Russell presented the minutes of the February 9, 2022, meeting to committee members.

Our Mission: As a governmental organization created by the Legislature, we evaluate Clerks' court-related budgetary needs, and recommend the fair and equitable allocation of resources needed to sustain court operations.

A motion was made to adopt the minutes with Clerk Kinzel's revision by Clerk Butterfield and seconded by Clerk Timmann; the motion was adopted without objection.

Agenda Item 4 – Revenue Estimating Conference (REC) Results Update

Chair Russell called on Griffin Kolchakian, CCOC Budget and Communications Director, to give the REC update. Mr. Kolchakian stated that the REC met on February 20th in Tallahassee. The REC projected \$458.6 million of collected revenue for CFY 2022-23, a \$17.6 million increase over the July estimate. Mr. Kolchakian stated that the CFY 2023-24 projection was \$458.8 million, a \$16.2 million increase over the previous estimate. These revenues do not include the increases from the redirects provided in the clerks' priority bill; this impact will be captured in the REC's estimate in July or August. Clerk Burke asked Mr. Kolchakian what amount clerks should be expecting in June. Mr. Kolchakian stated that it should be around \$480 million. Clerk Burke asked what the carryforward amount is. Mr. Kolchakian answered that the Unspent Budgeted Funds (UBF) total \$15 million. Clerk Burke asked if that \$15 million includes the large number of civil cases from the tort reform legislation. Mr. Kolchakian stated that the \$15 million is the UBF calculated through Settle-Up last year. Clerk Burke asked what the Cumulative Excess (CE) is projected to be for this year. Mr. Kolchakian answered that the current projection for the clerks' share of CE will likely be around \$10 million. Clerk Patty asked if the redirects from HB 977 will begin on July 1. Mr. Kolchakian confirmed that the bill is effective July 1.

Agenda Item 5 – Revenue and Expenditures Update

Chair Russell called on Mr. Kolchakian to give the revenue and expenditures update. Through the first seven months of the fiscal year, clerks collected just over \$277 million which included over \$64 million in March. March actuals were \$25 million above the monthly projection, bringing the clerks \$23 million above the year-to-date REC projection. There are six months of actual expenditures data totaling just over \$209 million, including \$39.5 million in the month of March.

Agenda Item 6 – Legislative Update

Chair Russell called on Jason L. Welty, CCOC Deputy Executive Director, to give the legislative update. Mr. Welty stated that HB 977 by Representative Botana (and SB 1130 by Senator Hutson) was passed by the Legislature and is pending the Governor's signature. This bill provides a projected \$24.1 million in redirects from four different categories. This money used to be sent to DOR but will now be retained by the clerk. Mr. Welty stated that these funds will be included in the REC estimate when they meet in July. An increase to the recurring jury funding was proposed but ultimately not approved. Mr. Welty detailed the increase in FRS rates totaling \$5.4 million. Continued state funding for e-Notify was also approved. The hotel reimbursement amount was increased from \$175 to \$225 beginning July 1. Clerk Vick asked when next year's legislative priorities will be discussed. Clerk Butterfield answered discussions will begin at the end of May. Clerk Patty asked Mr. Welty how useful the Needs-Based Budget

was in passing HB 977. Mr. Welty confirmed that the Needs-Based Budget helped the legislative team show the funding gap. Clerk Butterfield stated that, over the past five years, the state attorneys, the courts, and the public defenders have received budget increases. Clerk Patty stated that it is important to understand that the Needs-Based Budget was approved by the committee and that the Legislature allocated these funds based on this approved amount. Clerk Timmann emphasized the importance of the clerks being able to stay consistent on the messaging. Clerk Patty stated that if we do not use the redirect funds to specifically address the identified funding gap, that could potentially hurt our relationship with legislators. Clerk Patty stated that we should consider a proportional allocation to fund the Needs-Based Budget. Clerk Butterfield stated that it was clear that the funding gap was \$36.5 million for the current year.

Clerk Patty also mentioned that HB 977 takes effect on July 1 that clerks will begin collecting revenue from those redirects at that time. This creates a three-month window of increased revenues before the County Fiscal Year begins. There was committee discussion on if these funds could be used to increase the current year budget. Clerk Kinzel stated that we should be able to use these funds this year because there is nothing legislatively to say that we can't. Clerk Burke asked Mr. Welty if any of our justice partners received a pay increase. Mr. Welty answered that there was a state employee pay raise of 5%; judges did not receive pay raises this year but public defenders, state attorneys, and correctional officers did. Clerk Alvarez-Sowles asked if this committee is going to address the bill regarding the increase in constitutionals officers and if that is something we are going to support next year. Chair Russell stated that this is a question for FCCC.

Agenda Item 7 – Determine Use of Additional Cumulative Excess

Chair Russell stated that, at the last committee meeting, this committee decided to table the discussion of how to use the additional Cumulative Excess funds. Chair Russell stated that the options are to roll it over into the CFY 2023-24 budget or to put the amount into the clerks' reserve fund. Clerk Butterfield stated that we should take these funds into account when building the CFY 2023-24 budget.

A motion was made to roll the additional Cumulative Excess into the CFY 2023-24 budget by Clerk Vick and seconded by Clerk Green; the motion was adopted without objection.

Agenda Item 8 – Establish CFY 2023-24 Base Budget

Chair Russell opened the discussion on establishing the CFY 2023-24 Revenue-Limited Budget. Clerk Butterfield stated that the committee should include FRS costs in the Base Budget like it did last year. Clerk Patty stated that the committee should either fully fund or proportionally fund the Needs-Based Budget as the Base Budget. Clerk Patty explained that each clerk submitted a Needs-Based Budget that was validated by the committee which was used to secure additional funding. Clerk Vick asked what the Needs-Based Budget was last year. Mr. Kolchakian answered it was \$501.4 million. Chair Russell was concerned with this idea since a lot has changed in

a year and wants to move the budget process forward rather than going backwards. Clerk Patty stated that the need is still there from last year. Clerk Burke stated that he does not remember the committee scrutinizing the Needs-Based Budget last year. Clerk Butterfield stated that the Needs-Based Budget is still far from what the clerks need to operate and that she agrees with Chair Russell that things have changed since last year. Clerk Vick asked if the committee met last year to discuss budget issues requested. Chair Russell stated that clerks only presented last year if they had a specific request, and not everyone was present. Clerk Vick asked Mr. Kolchakian what it would look like if we wanted to start with Clerk Patty's idea. Mr. Kolchakian stated that the current year \$453.2 million Revenue-Limited Budget plus the \$5.4 million calculated FRS increase totals the \$458.6 million Base Budget. The current year Needs-Based Budget (excluding State appropriated General Revenue) totals \$481.2 million. The difference between the two is over \$22 million. Clerk Green emphasized the importance of clerks collectively submitting a true Needs-Based Budget. Clerk Butterfield asked for clarification on the connection between the redirects and the Needs-Based Budget. Clerk Patty stated that the Needs-Based Budget was used to fill the identified funding gap. Clerk Kinzel stated that each clerk should submit a budget that balances to their projected revenues and that some counties won't be able to balance and the committee should help them. Clerk Kinzel stated that she has had to get money from the county to keep her courts open and that Collier County's budget is \$3.5 million less than 2008 despite being the fastest growing county with the fastest growing population.

A motion was made that the Base Budget include FRS by Clerk Butterfield and seconded by Clerk Vick. Clerk Vick then withdrew her second, and the motion was then seconded by Clerk Kinsaul; the motion was adopted with eight nays.

Chair Russell opened the floor to discuss budget methodology. Chair Russell proposed using weighted cases as an allocation methodology. Clerk Alvarez-Sowles proposed to investigate the cost of having multiple courthouses. Clerk Patty proposed funding a 5% COLA to mirror what the State provided. Clerk Butterfield and Clerk Burke agreed with Clerk Patty. Clerk Kinzel opposed across-the-board allocations and stated that cost-of-living and county size needs to be considered. Clerk Alvarez-Sowles also recommended the committee look at the impact of indigent cases. Clerk Roth stated that AOs should be considered. Chair Russell told clerks to share with staff how you are going to apply the proposed methodology.

Agenda Item 9 – Approve New Judges Calculation – Funding Methodology

Chair Russell presented the proposed new judges funding methodologies. Chair Russell stated that no one got new judges for next year. Clerk Butterfield stated that this is for a LBR request that would be submitted to the Legislature for funding if a new judge is certified. Clerk Stuart asked what kind of analysis went into deciding the statewide average. Mr. Kolchakian answered that this amount was based on a statewide average of salaries excluding the elected clerk. Clerk Kinzel supports the actuals calculated by individual county.

A motion was made for the county averages by Clerk Kinzel and seconded by Clerk Patty; the motion failed.

Clerk Green asked if the salaries and benefits were based on the Needs-Based Budget. Mr. Kolchakian stated that the calculations are based on the Operational Budget. Clerk Burke stated that our request should mirror the judiciary as closely as possible. Chair Russell stated that her chief judge mentioned having a hard time hiring due to competition in the job market. Clerk Burke stated that if we request different amounts across the state, it could be scrutinized. Clerk Green stated that for the judges average they set a state average with a differential additive base on counties. Shannon Ramsey-Chessman confirmed that the courts have a statewide pay plan but there are specific counties that have a different cost-of-living differential. Clerk Butterfield stated that this is a question of if we are going to do it like the courts do it or if we are going to do it by the county average.

A motion was made to implement the statewide average by Clerk Butterfield and seconded by Clerk Burke; the motion was adopted with Clerk Kinzel voting nay.

Agenda Item 10 – Approve Jury Management Reimbursement Form

Chair Russell recognized Clerk Vick to present the SFY 2023-24 Jury Reimbursement Form. Clerk Vick stated that there are no changes to the reimbursement forms from the current year.

A motion was made to approve the Jury Reimbursement Form by Clerk Vick and seconded by Clerk Bexley; the motion was adopted without objection.

Clerk Vick stated that even though this year the legislative team was not able to secure additional recurring jury funding, this is something that could potentially be a legislative priority next year. Clerk Vick stated that we will likely be in a jury funding deficit of nearly \$700,000 by April 2024. Clerks would have to cover this deficit from their CCOC budget during the year and should prepare to do so. Clerk Burke asked if the judicial budget got an enhanced allocation for senior judges. Mr. Welty answered that two years ago they received the Pandemic Recovery Plan.

Agenda Item 11 – Workgroups Update

For the Case Counting Workgroup update, Chair Russell stated that Clerk Cooney could not join us today. However, Clerk Cooney indicated that the workgroup expects to have the case count data analyzed and verified for the committee to use in the CFY 2023-24 budget development process.

Clair Russell called on Clerk Patty to present his proposal for a new workgroup. Clerk Patty stated that the proposed Surplus Revenue Collections Distribution Workgroup will look at collections and establish a grant program that will allow clerks to work with CIS and try to reach a 60% collections average. Clerk Patty stated that, if we can reach a 60% average across the state, we could potentially bring in an additional \$10 million

in revenue. Clerk Patty stated that this puts us in a situation where we are not just asking the Legislature for funding, but we are also doing everything we can to collect additional funding. The workgroup will consider if this is a practical program to establish and bring forward to this committee for approval. This program will allow clerks to decide if they want to participate by opting in. Chair Russell asked Clerk Patty who would serve on this workgroup. Clerk Patty mentioned finance professionals and compliance professionals. Clerk Burke asked if any clerks have hit that 60% number. Clerk Patty answered that for CFY 2021-22, Clay County was at 72%. Clerk Butterfield asked if we are looking at all the collection rates across-the-board or specific rates. Clerk Daughtrey stated that she likes Clerk Patty's idea for this workgroup but was wondering if this is a fully positive approach to compliance or will people be harmed for not meeting collections standards. Clerk Patty answered this will be fully constructive criticism.

A motion was made to establish the Surplus Revenue Collections Distribution Workgroup by Clerk Patty and seconded by Clerk Burke; the motion was adopted without objection.

Clerk Vick asked if we are including a specific vender in this request. Chair Russell stated that we are not. Chair Russell stated that committee members will receive an email from CCOC to see who wants to join the workgroup.

Chair Russell called on Mr. Kolchakian to share the findings of the Statutory Compliance Review Workgroup. Mr. Kolchakian stated that this workgroup was tasked with reviewing sections 28.35, 28.36, and 28.37, Florida Statutes, and evaluating the CCOC and the Budget Committee's compliance with these sections, including reviewing the annual budget allocation. The workgroup met four times and identified four subsections of statute to be raised for further consideration by the committee. Mrs. Ramsey-Chessman stated that these subsections are legal in nature and should be raised to the level of the elected clerks. Mr. Kolchakian stated that this workgroup went line by line through each section of statute in their review. Chair Russell asked John Dew, CCOC Executive Director, if the CCOC had secured a new General Counsel. Mr. Dew confirmed.

A motion was made to refer the four subsections of statute to the CCOC General Counsel by Clerk Green and seconded by Clerk Butterfield; the motion was adopted without objection.

Clerk Kinzel stated that the first couple of workgroup meetings centered around not knowing why the workgroup was meeting. Clerk Kinzel stated that she has specific concerns that she wants articulated to the General Counsel. Mrs. Ramsey-Chessman clarified that the workgroup knew exactly why it was established and what the scope of the workgroup was. Mrs. Ramsey-Chessman stated that the workgroup went line by line and reviewed what was being done to comply with each section of statute.

Agenda Item 12 – Other Business

Clerk Stuart was recognized to present on the impact of the Tort Reform Bill, including overtime costs as well as other hardships that were unfunded. Clerk Alvarez-Sowles stated that she would like to see statewide numbers of how the Tort Reform Bill affected all counties, not just the largest counties.

Mr. Kolchakian was recognized to provide an FRS update. Mr. Kolchakian stated that the \$5.4 million year-over-year FRS increase was calculated using the most recent Operational Budgets and the updated employer rates approved by the Legislature. Mr. Kolchakian also mentioned that the Budget Issue Request forms are due June 1.

Chair Russell stated that a doodle poll will be sent out to gather availability for an in-person meeting in June.

The meeting was adjourned at 12:31 PM.
