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**FLORIDA CLERKS OF COURT
OPERATIONS CORPORATION**

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Minutes of August 3, 2023, Budget Committee Meeting

Approved by the Budget Committee at the meeting held on October 17, 2023.

The Budget Committee of the Clerks of Court Operations Corporation (CCOC) held a meeting on August 3, 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 9:02 AM. 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 Ken Burke, Clerk Stacy Butterfield, Clerk Pam Childers, Clerk Gary Cooney, Clerk John Crawford, Clerk Nadia Daughtrey, Clerk Crystal Kinzel, Clerk Grant Maloy, Clerk Rachel Sadoff, Clerk Cindy Stuart, Clerk Carolyn Timmann.

Present via WebEx: Clerk Tara Green, Clerk Bill Kinsaul, Clerk Brandon Patty, Clerk Clayton Rooks, III, Clerk Don Spencer, Clerk Angela Vick.

Absent from meeting: Clerk Joseph Abruzzo, Clerk Tom Bexley, Clerk Brenda Forman, Clerk Carla Hand.

Agenda Item 2 – Approve Agenda

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

Agenda Item 3 – Approve Minutes from 6/22/23 Meeting

Chair Russell presented the minutes of the June 22, 2023, meeting to committee members. Clerk Kinzel provided a proposed correction to a motion made at the June meeting.

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 Godwin and seconded by Clerk Maloy; the motion was adopted without objection.

Agenda Item 4 – Revenue and Expenditures Update

Chair Russell called on Griffin Kolchakian, CCOC Budget and Communications Director, to provide the revenue and expenditures update. Mr. Kolchakian stated that, through the first nine months of the fiscal year, clerks collected just over \$353 million which included over \$64 million in March. May actuals were just over \$38 million which is almost \$2 million above the monthly REC projection. This is \$25.3 million above the year-to-date REC projection. There are eight months of actual expenditures data totaling \$277 million, which is 8.1% below the year-to-date projection.

Agenda Item 5 – Revenue Estimating Conference (REC) Results Update

Jason L. Welty, CCOC Deputy Executive Director, stated that the Revenue Estimating Conference met on July 20th. Mr. Welty stated that the conference Estimated that there would be \$458.5 million of collected revenue available for the clerk's CFY 2023-24 budget. Mr. Welty stated that, while this is just under \$300,000 less than the February estimate, it is \$17.5 million higher than last year's estimate. The main drivers of the forecast include the continuing return to normal in civil traffic revenue, the slight increase in claims filings over previous levels, a reduction in the projected foreclosure filings, and the increased collections efforts by the clerks. Mr. Welty stated that the revenue available for the total courtside budget is going to be \$486.1 million (this includes the \$11.7 million State jury budget authority).

Clerk Burke asked if the REC considered the new revenue under the clerks' priority legislation that passed this year. Mr. Welty confirmed that the new revenue was considered in this estimate. Clerk Burke asked if the REC decreased the revenue projection by \$300,000 after the Legislature passed the clerks' bill which provided additional revenue. Mr. Welty stated that the biggest factors were decreases in foreclosures, decreases in projection for hurricane claims, and decreases in circuit civil cases because of the tort reform cases. Mr. Welty stated that the REC determined that the cases that were filed in March would have been cases that were going to get filed in the upcoming fiscal year, so that led to a significant decrease in circuit cases which leads to a decrease in revenue. Clerk Burke asked if the REC is incentivized to underestimate clerk revenue to generate more General Revenue for the State. Mr. Welty stated that if we had not seen the increase in tort reform cases, we would have seen a much higher increase in total revenue. Clerk Butterfield stated related that conversations have started with legislators.

Mr. Welty stated that statewide there is a dip in auto negligence and that normally clerks would average 3,000 cases but after April it was at 1,300 and in May we only had 1,000 cases. Mr. Welty also stated that evictions are down and that the REC made an adjustment to meet somewhere in the middle of their projection and our projection. Clerk Timmann stated that it was made clear to the Legislature that if clerks don't receive the full requested funding last Session that we will be back to request

additional funding. Clerk Timmann stated that Mr. Welty did a great job of explaining to the REC our case. Clerk Sadoff asked if clerks have sent legislators in writing where we are lacking collectively. Clerk Vick asked where the decrease in revenue came from. Mr. Welty answered that the REC projection was \$10 million less than what was approved. Clerk Vick stated that across the state she does not believe there is going to be as huge of an impact as expected. Mr. Welty stated that he spoke to FCCC to see the number of cases that have been filed as well as using the outputs report. Mr. Welty stated that we selected a random week in January to compare how many of these cases have already been dismissed. Mr. Welty explained that the REC did recognize the revenue from the bill, but other factors played a role in the approved projection. Clerk Vick asked what the estimate was for the new redirects. Mr. Welty stated that it was about \$15 million. Clerk Butterfield stated that there is a potential to have a glitch be included in this upcoming year's budget and that the legislative team is working on solving this issue.

Agenda Item 6 – Surplus Revenue Collections Distribution Workgroup Report

Chair Russell recognized Clerk Patty to provide a Surplus Revenue Collections Distribution Workgroup update. Clerk Patty provided an overview of the workgroup and stated that the compliance grant program would be a voluntary program. Clerk Patty stated that, if we increase revenues in specific areas of collections, we will see significant increases. Clerk Patty stated that the Budget Committee would serve as the supervisors of the program, and clerks that opt in would work with CIS to meet compliance standards. CIS would then review clerks in the program as well as oversee satisfactory progress made toward increasing court revenues. Clerk Patty stated that several clerks have shown interest in participating in the program. Clerk Maloy asked what 'payback' means in the document. Clerk Patty answered that as the ROI increases once the collection reaches the grant amount then the grant is paid back. Clerk Maloy asked for clarification on the funding model. Clerk Patty answered that the workgroup has discussed this, especially since some clerks have already developed compliance efforts. The workgroup can review this in the coming months. Clerk Vick asked how the grant was going to be awarded and thinks that we should be looking at some of the CCOC reports to build eligibility criteria for the program. Clerk Childers stated that we should use the best practices checklist. Clerk Kinzel stated that she has concerns about increasing our costs by \$1 million without a clear ROI.

A motion was made to push the grant funding program to next fiscal year and allow the workgroup to answer questions associated with the program and to put the dollars that were going to be allocated to the program back into the budget by Clerk Stuart and seconded by Clerk Crawford; the motion was adopted without objection.

Agenda Item 7 – Budget Presentations

Mr. Kolchakian provided an overview of the budget issues requested statewide. Mr. Kolchakian stated that a total of 66 counties requested an additional budget issue over the Base Budget totaling \$52.9 million. Mr. Kolchakian stated that the FRS

increase was already included in the approved Base Budget totaling \$5.4 million, which brings the total issue requests including the FRS increase to \$58.3 million. The Base Budget plus the issue requests totals \$511.5 million, an 11.5% increase over the Base Budget and 12.9% over the current year's budget. Mr. Kolchakian provided an overview of the issues requested; a summary of which is included in the meeting packet. Clerk Butterfield asked if the FRS rate added to the Base Budget was the blended FRS rate. Mr. Kolchakian answered that the blended FRS rate is estimated for Quarter 4 of the county fiscal year and that the FRS funding included in the Base Budget is a separate amount.

Lake, Orange, Collier, Martin, Palm Beach, Highlands, and Volusia Counties presented their budget issue requests to the committee in-person. Marion, Okaloosa, Manatee, Bradford, and Jefferson Counties presented virtually. Broward and Duval Counties waived their presentations. Clerk Maloy asked Chair Russell how Orange County handles raising the minimum wage when it comes to comparison. Chair Russell stated that they did a salary study, they don't do a blanket across-the-board increase, and that they also look at what each position does specifically. Clerk Vick asked Chair Russell if her issue is recurring. Chair Russell confirmed.

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

A motion was made to put the \$1 million back into the Weighted Workload Measure allocation and to ensure that every county gets at least a 3% year-over-year increase by Clerk Cooney and seconded by Clerk Butterfield; the motion was adopted with Clerk Alvarez-Sowles voting nay.

Clerk Alvarez-Sowles supports using an across-the-board allocation to distribute the \$1 million. Chair Russell supports using a data driven allocation like weighted cases instead of an across-the-board allocation that doesn't reflect the work that clerks do in their county. Clerk Kinzel supports allocating the available funding using the Needs-Based Budget that was submitted by each clerk. Clerk Butterfield stated that in the future there are other items that need to be considered such as multiple courthouses. Clerk Peacock supports using weighted cases and stated that, in the recent past, the committee has cleared the hurdle of initially using the Weighted Workload Measure so that in the following years we can now add on to that. Clerk Vick has concerns about the Base Budget that the committee is building on and that it does not include accurate FRS numbers.

Agenda Item 9 – Jury Funding Discussion

Clerk Vick provided an update on the jury funding process. Clerk Vick stated that, since the State jury funding was not increased this year, we are going to face a funding deficit during this state fiscal year. Clerk Vick stated that the almost \$4 million in expenditures last quarter is a historic high for jury expenses. Clerk Vick mentioned the Jury Management Workgroup that is reestablished and that one of the goals of the workgroup is to ensure the legislative team has what they need to ask the legislature for more funding. This year, we will have to ask the legislature for at least \$16 million

total to cover jury costs. Clerk Vick stated that Chair Russell requested estimates from all clerks for SFY 2023-24 jury costs. Chair Russell asked how clerks are going to absorb the difference if we go over the \$11.7 million budget. Clerk Vick answered that it would be a pro-rata reduction across all counties. Clerk Vick stated that we are now in a reimbursement model using actual expenditures as opposed to before where we used to have to predict how much we would spend and then reconcile the actuals. Clerk Kinzel stated that we can't wait quarter by quarter and get to the final quarter of the budget and tell clerks that they have no money for a quarter. Clerk Vick clarified that the JAC releases the funds quarterly; we are not able to ask for a specific amount each quarter. Chair Russell stated that she does not want to dismantle the work that has already been done regarding jury, but she wants a way for clerks to internally address the rising cost of these expenses. Clerk Peacock stated that, if we don't have a cap for each county to stay below, we will have to start looking into how efficient each office is at running their jury program. Clerk Vick stated that since jury is a moving target, she doesn't think there should be a cap in place and that the workgroup can review the counties that are higher in cost. Clerk Burke stated that it is very disappointing that the Legislature didn't fund our jury needs and that the public defenders have a way to cover their costs if their budget runs out during the year. Clerk Kinzel stated that we should have a plan for when we run out of funding because not paying people is not an option. Clerk Alvarez-Sowles supports basing a funding cap on the Operational Budget. Clerk Vick stated that clerks have never had enough to cover jury costs. Clerk Timmann clarified that the jury reimbursement funding is not first come first serve. Clerk Alvarez-Sowles stated that on the Operational Budget on the front page there is a box that says that if this amount exceeds your budget authority you must cover it from your CCOC funding. Clerk Butterfield stated that we do not need to decide today, but she believes that Clerk Vick should take all this information and bring it to the workgroup.

A motion was made to take one quarter of the \$11.7 million and allocate to each clerk the amount based on the Operational Budget as a quarterly budget cap by Clerk Alvarez-Sowles; the motion failed.

A motion was made to bring Jury funding back to the workgroup and explore the different concepts related to Jury funding by Clerk Timmann and seconded by Clerk Stuart; the motion was adopted without objection.

Chair Russell stated that if any staff would like to join the workgroup to please email Mr. Kolchakian. Clerk Vick stated that, in addition to looking at statistics, the workgroup will look at different funding methodologies. Clerk Crawford stated that we should study this issue, and it's not going to have an impact on the current budget so let's develop a solution. Clerk Peacock stated that in his county they let juries know they are not needed before they step into the courthouse so that means they don't have to pay them.

Agenda Item 10 – Needs-Based Budget

Chair Russell initiated a committee discussion on the Needs-Based Budget. Clerk Timmann stated that we should be looking at those factors that are uniform. Clerk Timmann stated that the Needs-Based Budget needs to have components that we can identify and then be able to show to the Legislature why we need the rest of what has already been asked for. Clerk Butterfield stated that clerks are appreciative of what the Legislature has provided us with. Clerk Kinzel stated that she would like to help with this and appreciates the conversations on this topic. Clerk Kinsaul stated that we should ask the Legislature if we can turn over the jury costs to the courts. Clerk Burke asked if there are any other entities in the state whose budget is based on an REC estimate. Mr. Welty answered that all entities are. Clerk Burke asked if the Florida Lottery sets their budget based on the REC projection for lottery sales. Mr. Welty stated that there is a lottery REC. Clerk Burke stated that we currently have this entity that decides how much we can bring in and if we go over that amount, they keep 50% of that. Chair Russell asked Clerk Timmann when she needed a number. Clerk Timmann stated that we certainly need something back soon to start the conversation and if we are going to advocate for it, we need to know what that number is. Clerk Burke stated that there is a grey area around what clerks are receiving from the county. Clerk Maloy stated that the real issue is the amount for fines and fees that has not been updated or increased in years. Clerk Maloy stated that inflation can be explained to a legislator, and it seems like an easy way to go. Clerk Butterfield agreed and stated that those fines and fees need to change but it takes a two-thirds vote for those to change.

Agenda Item 11 – Other Business

Clerk Alvarez-Sowles presented the updated MIT living wage spreadsheet. Clerk Alvarez-Sowles stated that option 1a is what would happen if we brought all counties up to their living wage. Clerk Alvarez-Sowles stated that she would like to vet the position that are below the living wage and make sure that it is comparing apples to apples. There are 12 different family groups in the MIT cost-of-living analysis, and the spreadsheet included in the packet uses the lowest level. Clerk Alvarez-Sowles would like the workgroup to come up with a plan to address compression. Clerk Kinzel asked where the data came from. Clerk Alvarez-Sowles answered that the living wage calculator comes from the Massachusetts Institute of Technology (MIT).

The meeting was adjourned at 2:40 PM.
