**Minutes of May 8, 2024, Budget Committee Meeting**

**Approved by the Budget Committee at the meeting held on June 12, 2024.**

The Budget Committee of the Clerks of Court Operations Corporation (CCOC) held a meeting on May 8, 2024. 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 1:00 PM.

The meeting was turned over to Griffin Kolchakian, CCOC Budget and Communications Director, to conduct roll call.

Present: Chair Tiffany Moore Russell, Vice Chair Greg Godwin, Clerk Nikki Alvarez-Sowles, Clerk Tom Bexley, Clerk Stacy Butterfield, Clerk Nadia Daughtrey, Clerk Tara Green, Clerk Crystal Kinzel, Clerk Grant Maloy, Clerk Clayton Rooks, Clerk Cindy Stuart, Clerk Angela Vick.

Present via WebEx: Clerk Pam Childers, Clerk Gary Cooney, Clerk John Crawford, Clerk Brandon Patty, Clerk Rachel Sadoff, Clerk Carolyn Timmann.

Absent from meeting: Clerk Ken Burke.

Chair Russell thanked Clerk Vick for hosting the committee meeting in Citrus County.

**Agenda Item 2 – Approve Agenda**

**A motion was made by Clerk Vick to approve the agenda and seconded by Clerk Daughtrey. The motion was adopted without objection.**

**Agenda Item 3 – Approve Minutes from 3/28/24 Meeting**

Chair Russell presented the minutes of the March 28, 2024, meeting to the committee. Clerk Vick stated that the minutes should reflect a statement added to Agenda Item #8 that clerks should plan to receive 60% to 70% reimbursement of their quarterly jury costs.

**A motion was made by Clerk Vick to approve the minutes with the stated amendment and was seconded by Clerk Maloy. The motion was adopted without objection.**

**Agenda Item 4 – Revenue and Expenditures Update**

Chair Russell called on Mr. Kolchakian to provide the Revenue and Expenditures update. Through the month of February, clerks collected $225.2 million, which is 3.3% above the REC’s estimate for the year so far. We are currently on pace to slightly exceed the annual projected amount of $458.5 million. Through the first five months of the fiscal year, expenditures total $178.5 million, which is 9.7% below the year-to-date straight-line projection. Mr. Kolchakian stated that the revenue data from March is now available. Clerks collected $39.6 million in March, bringing the annual total to $2.4 million above the REC year-to-date projection. Clerk Bexley asked for clarification that March revenues were actually lower than originally projected and, if so, what the reason was for that. Mr. Kolchakian clarified that the REC monthly estimate for March was likely inflated due to the historic March in 2023 which included the impact from the tort reform legislation.

**Agenda Item 5 – Workgroups Update**

Chair Russell thanked the chairs and staff members of each workgroup for their hard work, time, and dedication. In preparation for budget deliberations, each workgroup was tasked with bringing their final product for committee consideration at today’s meeting.

Chair Russell recognized Clerk Vick to provide the Jury Management Workgroup update. Clerk Vick announced that Clerk Maloy has accepted the assignment as the new chair of the Jury Management Workgroup since she will be retiring at the end of the year. Clerk Vick stated that Quarter Three jury numbers are in, and, due to lack of available State funding, each clerk will be reimbursed for 80% of their quarterly costs. As a reminder, each clerk was reimbursed for 90% of their Quarter Two costs. Clerk Vick stated that, while this shortfall is not ideal, both of these quarterly reimbursements were higher than originally projected. A detailed summary of these two quarters is included in the meeting packet. Clerk Vick stated that the clerks’ jury funding was not increased by the Legislature this year, so we will continue to face a quarterly reimbursement shortfall moving forward. Please continue to plan for and budget for these quarterly shortfalls, which clerks are still projected to receive 60%-70% reimbursement each quarter.

Clerk Vick stated that the workgroup also plans to potentially update the Jury Management Policy to address the impact of the clerks’ priority bill (HB 1077) as well as the change in venue issue that was raised at the last committee meeting recommending a MOU that provides for payment to the hosting clerk. If so, the workgroup will bring a draft to the committee for consideration at a later meeting.

Clerk Green asked about the possible mechanisms for funding jury by the Courts. Clerk Vick responded that this would be based on the individual judge and internal operations.

Chair Russell thanked Clerk Vick for her years of service leading the workgroup.

Chair Russell recognized Mr. Kolchakian, on behalf of the workgroup chair Clerk Burke, to provide the Needs-Based Budget Workgroup update and proposal. Mr. Kolchakian stated that the workgroup was tasked with establishing proposed guidelines for the clerks’ budget issue requests to promote accurate and consistent requests moving forward. The workgroup met twice and created proposed guidelines and references for the annual Budget Issues Request submissions. These proposed guidelines and references would be included as an added introductory tab on the Budget Issues Request Form. Mr. Kolchakian stated that this introductory tab would provide guidelines and helpful resources to assist staff and help make budget submissions more consistent.

Clerk Kinzel stated that per s. 28.36, F.S., each clerk’s office should provide a balanced budget. Shannon Ramsey-Chessman, Palm Beach Chief Deputy Clerk, responded that statute requires the clerks’ budget to be built using a statewide balanced budget, not individual clerks balancing to their projected revenues. She provided local examples of why this was the case. Clerk Kinzel responded that, in her opinion, statute states that “each clerk shall” provide a balanced budget each year. Clerk Daughtrey asked if the FRS calculation was included in the budget. Mr. Kolchakian confirmed.

Clerk Vick asked how flexible the proposed guidelines are. Mr. Kolchakian stated that these are recommended guidelines, instead of required criteria. This is meant to be a helpful resource to add to the spreadsheet for reference. Clerk Green added that there are available resources related to performance measures. Clerk Butterfield stated that, although clerks will not be fully funded, it will be helpful to have a statewide dollar amount for what is truly needed.

**A motion was made by Clerk Alvarez-Sowles to approve the Needs-Based Budget’s proposed introductory tab and was seconded by Clerk Vick. The motion was adopted with Clerk Kinzel voting nay.**

Chair Russell recognized Clerk Alvarez-Sowles to provide the Living Wage Analysis Workgroup update. Clerk Alvarez-Sowles presented the workgroup’s purpose, living wage analysis, and the proposals up for committee consideration (PowerPoint presentation included in the meeting packet). Clerk Alvarez-Sowles stated that the purpose of the workgroup was to develop a funding allocation methodology based on Massachusetts Institute of Technology (MIT) Living Wage model to implement a living rate per county and to address compression. The proposed funding models include a living wage rate model, an adjusted living wage model, and a compression model. The workgroup also provided options for implementation for each model.

Chair Russell advised that the Compliance Investment Program Workgroup was not able to provide a workgroup recommendation this budget cycle and will sunset.

Chair Russell thanked each of the workgroups again for their important work for the Budget Committee.

**Agenda Item 6 – Approve Funding Issues Request Forms**

Chair Russell stated that, during the annual budget development process, each clerk submits their detailed budget request to the CCOC for any items they would like funded over the current year court-side budget and FTE amounts. This submission includes three forms, including the Budget Issues Request Form, the Revenue Projections Form, and the Certification Letter. These forms are very similar to last year, with the addition of a proposed requested issues total summary tab and a budget and revenue totals summary tab added to the Budget Issues Request Form. The forms are statutorily due on June 1st.

Chair Russell stated that requests for the FRS calculated increases for existing positions, the additional funding needed for statewide jury reimbursement, and funding and FTE for new judges will be addressed by the committee on behalf of all clerks. However, if you need FRS dollars above this increase or have a unique jury trial with extraordinary anticipated costs, you should include these issues in the request.

Clerk Russell added that, with the clerks’ priority bill being signed into law earlier this week, the Certification Letter will be updated to include “improving court technology” in the first section as a court-related function and that the Revenue Projections Form will be updated to remove the “Issuance of a Summons” and “Traffic Admin. Fees” 2008-111 lines.

Clerk Kinzel requested that the Revenue Projections Form be amended to change the title line from “County Fiscal Year” to “Cash Flow for County Fiscal Year” to accurately capture the time period of projections.

**A motion was made by Clerk Daughtrey to approve the budget issue forms with the title amendment proposed to the Revenue Projections Form and was seconded by Clerk Butterfield.** **The motion was adopted without objection.**

**Agenda Item 7 – Approve SFY 2024-25 Jury Reimbursement Form**

Chair Russell presented the proposed SFY 2024-25 Jury Reimbursement Form for committee approval. The form identifies and tracks jury costs for each clerk to submit a request for reimbursement each quarter. The spreadsheet is the same as last year. Chair Russell reminded the committee that the first quarterly due date for July through September will be October 10th.

**A motion was made by Clerk Maloy to approve the SFY 2024-25 Jury Management Reimbursement Form and was seconded by Clerk Rooks. The motion was adopted without objection.**

**Agenda Item 8 – Approve Additional Current Year Funding Allocation**

Chair Russell stated that included in the State’s budget passed by the Legislature is $8 million is current year funding to the clerks for the projected impact of the “glitch” fix inadvertently left out of the clerks’ priority bill last year. This “Back of the Bill” appropriation provides clerks with nonrecurring State General Revenue for 2023-24. Chair Russell reminded the committee that the State budget is awaiting the Governor’s signature for final approval. Chair Russell outlined the six potential allocation options to distribute this current year funding, including:

* Option #1 – allocate the $8 million proportionate to the CFY 2023-24 Revenue-Limited Budget
* Option #2 – allocate the $8 million using the statewide weighted cases
* Option #3 – allocate the $8 million using weighted cases by Peer Group
* Option #4 – allocate the $8 million to the 25 depository counties based on the amount they remitted to the Trust Fund last year
* Option #5 – allocate a portion of the $8 million to fund the jury shortfall ($1.1 million so far) (Note: we will not know Q4 amounts until late July)
* Option #6 – Clerk Kinzel proposed to allocate the $8 million to the 24 counties who anticipate receiving subsidies from the County

**A motion was made by Clerk Vick to, pending the Governor’s approval of the State’s General Appropriations Act, allocate the current year $8 million appropriation, including $1.1 million to fund the actual unfunded deficit balance of jury reimbursement funding for SFY Quarters Two and Three and the remaining $6.9 million using the statewide Weighted Workload Measure and seconded by Clerk Daughtrey. The motion was adopted with Clerk Kinzel voting nay.**

**Agenda Item 9 – Operational Budget Discussion**

Chair Russell stated that, due to lack of time, the Operational Budget discussion will be moved to an upcoming committee meeting.

**Agenda Item 10 – Establish CFY 2024-25 Base Budget**

Chair Russell stated that, to begin the budget development process in each of the last few years, the committee has established a Base Budget starting point to then build upon to set the final clerks’ budget. Using each county’s current budget as a baseline provides a starting place based on the funding level each county is currently operating at. Chair Russell stated that, last year, to build the CFY 2023-24 clerks’ budget, the committee used the prior year’s approved Revenue-Limited Budget and added the calculated FRS increase, which provided a $458.6 million Base Budget starting point. Based on this, Chair Russell proposed the use of the current year Revenue-Limited Budget of $474.4 million as the Base Budget for 24-25.

**A motion was made by Clerk Alvarez-Sowles to approve the CFY 2024-25 Base Budget of $482.6 million, including the $474.4 million CFY 2023-24 Revenue-Limited Budget, the $8 million current year allocation from Agenda Item #8, and the calculated statewide FRS increase of $164,000, and was seconded by Clerk Bexley. The motion was adopted with Clerk Kinzel voting nay.**

**Agenda Item 11 – Funding Allocation Deliberation**

Chair Russell stated that the committee needs to discuss how to allocate the additional available funding above the approved Base Budget. As a reminder, we will not know this amount until the REC meets later this summer. Chair Russell stated that, after the March meeting, a memo was sent out to committee members requesting any funding allocation proposals to allocate the additional funding be sent in by April 22nd in preparation for this meeting. Included in the meeting packet are the funding allocation options received from committee members.

Chair Russell proposed using weighted cases as an allocation methodology, which was used last year. This methodology focuses on a clerk’s outputs, not the inputs of how you manage your staff and office.

Chair Russell recognized Clerk Stuart. Clerk Stuart proposed to proportionately apply each county’s BEBR population data to 100% of available funding.

Chair Russell recognized Clerk Kinzel. Clerk Kinzel proposed to fully reimburse depository counties who receive local County funding subsidies. With any remaining funds, allocate to depository counties without local subsidy. Clerk Kinzel proposed a second option to allocate 100% of available funds to depository clerks (counties who brought in more revenues than their budget amount) to equal the amount of deposited funds to the Trust Fund.

Chair Russell recognized Clerk Alvarez-Sowles. Clerk Alvarez-Sowles, on behalf of the Living Wage Analysis Workgroup, proposed to utilize MIT living wage data as an allocation methodology to fund those existing positions statewide that are making below the identified living wage for that particular county and bring each position up to that living wage. A second component of this proposal provides funding for compression to the positions already making more than the living wage. Clerk Alvarez-Sowles proposed a second option to fund each clerk for their actual prior year indigency/no fee cases. Clerk Alvarez-Sowles proposed a third option to fund the calculated jury funding shortfall amount for each clerk based on prior year costs not reimbursed by State General Revenue funding.

Chair Russell recognized Mr. Kolchakian to present on behalf of Clerk Burke. Mr. Kolchakian presented Clerk Burke’s across-the-board allocation proposal which would proportionately apply each county’s share of the CFY 2023-24 Revenue-Limited Budget to 100% of the available funding.

**A motion was made by Clerk Maloy to allocate any available funding using weighted cases by Peer Group and was seconded by Clerk Daughtrey. After committee discussion to address this issue at the next committee meeting, the motion was withdrawn.**

Chair Russell stated that further deliberations will be slated for the next committee meeting, date to be determined.

**Agenda Item 12 – Other Business**

Chair Russell stated that the next Budget Committee meeting will be in-person in August in Orlando. Mr. Kolchakian will send out an availability survey with potential dates.

Chair Russell stated that the virtual CCOC Budget Training will be held on May 14th; all clerks and staff are welcome to join.

Chair Russell thanked Clerk Vick and her team again for hosting today’s meeting.

The meeting was adjourned at 4:09 PM.