**Minutes of June 12, 2024, Budget Committee Meeting**

**Approved by the Budget Committee at the meeting held on August 19, 2024.**

The Budget Committee of the Clerks of Court Operations Corporation (CCOC) held a meeting on June 12, 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 1:30 PM. The meeting was turned over to Griffin Kolchakian, CCOC Budget and Communications Director, to conduct roll call. Mr. Kolchakian called the roll.

Present via WebEx: Chair Tiffany Moore Russell, Vice-Chair Greg Godwin, Clerk Nikki Alvarez-Sowles, Clerk Tom Bexley, Clerk Ken Burke, Clerk Stacy Butterfield, Clerk Pam Childers, Clerk Gary Cooney, Clerk John Crawford, Clerk Nadia K. Daughtrey, Clerk Tara S. Green, Clerk Crystal Kinzel, Clerk Grant Maloy, Clerk Clayton Rooks, Clerk Rachel Sadoff, Clerk Carolyn Timmann, Clerk Angela Vick

Absent from meeting: Clerk Brandon Patty (military deployment), Clerk Cindy Stuart

**Agenda Item 2 – Approve Agenda**

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

**Agenda Item 3 – Approve Minutes from 5/8/24 Meeting**

Chair Russell presented the minutes of the May 8, 2024, meeting to the committee. Clerk Kinzel asked that the minutes be amended to reflect her comments made regarding a balanced budget and that she voted Nay on this motion. She also clarified that she voted Nay on Page 8 item 10.

**A motion was made to approve the minutes with corrections by Clerk Alvarez-Sowles and seconded by Clerk Kinzel; 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. Mr. Kolchakian provided an overview of the revenues and expenditures to date through the month of March. Chair Russell asked if the expenditures are trending similar to previous years. Mr. Kolchakian confirmed.

**Agenda Item 5 – Operational Budget Discussion**

Chair Russell called on Mr. Kolchakian to present the Operational Budget data. Mr. Kolchakian provided an overview of the annual Operational Budget submission. Late last year, the committee held a virtual vote approving collecting actual expenditure data in the Operational Budget submissions moving forward. However, we ran out of time to get this approved by the Executive Council.

Mr. Kolchakian stated that up for committee consideration is whether staff should move forward with drafting an option or options to capture prior year expenditures data to bring back to the committee for review at an upcoming meeting. If the committee approves to move forward with the concept, the CCOC will draft a separate spreadsheet to collect prior year actual budget expenditures data rolled up into category totals, not detailed out. The concept would be prior year annual summary with totals, in line with staff closing the books.

Clerk Kinzel asked if a line could also be added to collect subsidized costs since this is a piece of the total court-side budget. Mr. Kolchakian confirmed that, if the committee moved forward with this concept, this data would be included.

Chair Russell noted that the vote today is to approve the concept. She asked that a workgroup be formed to work with the CCOC to address this issue. If anyone is interested in being a part of this workgroup, please email CCOC directly. Clerk Chorvat asked if clerks not serving on the Budget Committee could be a part of this workgroup. Chair Russell confirmed.

**A motion was made to move forward with the concept of capturing prior year actuals as part of the annual Operational Budget submission by Clerk Alvarez-Sowles and seconded by Clerk Godwin; the motion was adopted without objection.**

**Agenda Item 6 – Funding Allocation Deliberation**

Chair Russell gave an overview from last month’s meeting where the committee approved the CFY 2024-25 Base Budget of $482.6 million. The goal for today is that the committee discuss and determine the methodology to allocate any additional available funding above the Base Budget. After the March meeting, Chair Russell sent out a memo to committee members requesting they provide any funding allocation proposals they might have. Included in the packet are the allocation options received from committee members that were presented to the committee at the May meeting. The allocation amount of $15 million used for each option is a random placeholder number used for reference since we do not know the exact amount of available funding until the REC meets in July.

Clerk Maloy asked for clarification from the last meeting on the $8 million “glitch” fix allocation to ensure the committee understood the methodology. The allocation included both jury deficit funding and a weighted cases distribution. This is the same allocation that was included in the Base Budget for next year, specifically the jury funding that will now be double-counted next year. Mr. Kolchakian confirmed that the committee determined to include the allocation of the additional current year $8 million in next year’s Base Budget, including the jury shortfall funding. Clerk Maloy stated that, in principle, we should not have included the $1.1 million jury funding next year’s Base Budget. Clerk Maloy asked for clarification if the $1.1 million for jury was included in next year’s Base Budget calculation. Mr. Kolchakian confirmed; the allocation of the $8 million included $1.1 million for the shortfall of jury dollars for each clerk year-to-date and $6.9 million using weighted cases. This is the allocation that was included in the CFY 2024-25 Base Budget. Clerk Maloy recommended that the $8 million allocation be amended to use weighted cases for 100% of the funding.

Clerk Butterfield pointed out that, if the committee goes back and adjusts the allocation of the $8 million in the Base Budget, it will slightly change the numbers. Some clerks will increase and some will decrease. Clerk Kinzel agreed that jury funding should be addressed separately and not included in the Base Budget.

Chair Russell stated that the committee should clarify the intent of this allocation methodology included in the Base Budget. Clerk Butterfield agreed. Chair Russell stated that the motion should have been clearer at the last meeting and would entertain a motion to address the issue raised by Clerk Maloy.

Clerk Alvarez-Sowles asked for clarification if the allocation would be 100% weighted cases statewide or by Peer Group. Chair Russell indicated statewide.

Clerk Kinzel said that the motion states that the allocations are going to be based on 100% weighted cases. She wanted to look at all options for the $8 million.

Clerk Butterfield pointed out that clerks would have had the $8 million as part of last year’s budget if we had not had the glitch. This motion is putting the funding back to where it should have been.

**A motion was made to allocate the $8 million included in the CFY 2024-25 Base Budget using 100% statewide weighted cases by Clerk Butterfield and seconded by Clerk Maloy; the motion was adopted without objection.**

Chair Russell indicated that the committee will review multiple options to allocate any available funding over the Base Budget.

Chair Russell presented proposed allocation options using weighted cases. The first proposal that continues is the weighted cases. Chair Russell stated that, although not perfect, weighted cases use validated case data that allocates funding based on actual outputs. This is the closest ‘apples to apples’ comparison we have at our disposal. This methodology focuses on the clerk’s output, not how to manage your staff. Chair Russell proposed utilizing weighted cases as the allocation methodology applying the weighted workload measure statewide or by Peer Group. Clerk Green supported using weighted cases. She pointed out there could be nuances to address, including legislative changes and the fluctuation of cases as it relates to workload. Clerk Green stated that the committee should identify these nuances and adjust the workload measure accordingly as well as to continue to evaluate the case weights. Clerk Timmann stated we have not gotten to a place where we are capturing some of the existing unique dynamics, including judicial mandates like having to attend adult court. Clerk Timmann supports weighted cases and is eager to incorporate some of the additional layers that affect costs beyond the clerk’s control. Clerk Roth stated, on behalf of the PIE Committee, that the PIE Committee will be reviewing weighted cases, the specific case weights, and other factors affecting this measure. The PIE Committee will potentially establish a workgroup to address this. Clerk Cooney clarified that the weighted cases included in the meeting packet are not fully reviewed and finalized yet. Clerk Cooney also had questions on the by Peer Group methodology. Mr. Kolchakian explained the pro rata share column on the spreadsheet included in the packet. Clerk Cooney asked why more than $15 million is being allocated in this methodology if we only have $15 million to allocate. Mr. Kolchakian explained the elevated pro rata share which allows every county to receive a portion of the allocation; the total allocation does not exceed the $15 million. Clerk Butterfield reiterated the importance of considering the other factors affecting weighted cases, like multiple courthouses. Clerk Butterfield wants the committee to identify these items and pick the top two or three to address next year.

Clerk Kinzel presented a proposed allocation option that would make depository clerks whole if they have sufficient revenues to support it. Any remaining funding would go to clerks having to receive county subsidies to make those clerks whole. Chair Russell asked to clarify that there be a distribution to depository clerks and then the remaining difference would go to those clerks that have identified they receive county support. Clerk Kinzel confirmed. Clerk Alvarez-Sowles asked if a clerk is reimbursed for dollars paid by the county, does that money go to the clerk’s office or back to the county. Clerk Kinzel stated that it would go to the county to reimburse them for the money given to the clerk’s office for the prior year.

Clerk Kinzel presented an additional proposed allocation option that would allocate dollars proportionately to the depository counties based on the amounts deposited into the Trust Fund. She hopes that some type of blending would be done to get clerks closer to being whole. Chair Russell asked if the available funding above the Base Budget would be distributed back to the depository counties. Clerk Kinzel confirmed. Clerk Daughtrey asked if a clerk received funding from the county, would the clerk be penalized. Clerk Kinzel clarified that this option would not take into account county funding for non-court functions. Anything a clerk gets from recording is not affected. Clerk Kinzel stated that some clerks have to go to the county and ask for millions of dollars just to keep the courts functioning.

Clerk Alvarez-Sowles presented a proposed allocation option to use the MIT living wage data to address the cost of living. Clerk Alvarez-Sowles explained the MIT living wage calculation and spreadsheet created by the workgroup to distribute funds to clerks’ staff making a salary below the adjusted living wage. One of the options uses a 90% living wage calculation to meet the arbitrary $15 million amount. The other option uses an 80% living wage calculation as well as a portion of the allocation to address compression for the rest of the staff. Clerk Kinzel asked if the living wage calculation was an average because, anytime an average is used, some clerks then lose money and some gain money. Clerk Alvarez-Sowles explained that this is not an average. The spreadsheet used the actual living wage for each county and is a methodology to get to the living wage. Clerk Kinzel stated that she has to pay a wage based on the market area as well as the time that the employee has been there. Clerk Alvarez-Sowles stated that the living wage is based on your market area. Clerk Timmann supports implementing the living wage; we recognize that 90% of some clerks’ costs is staffing. Clerk Timmann highlighted the challenges with retaining staff.

Clerk Alvarez-Sowles presented an additional proposed allocation option which would provide funding for actual no fee cases from the prior year, including indigency. These are the cases that clerks currently do not get funding for, but cost clerks money to process. Clerk Green stated that the committee should consider unique circumstances within the counties relating to no fee cases. Clerk Timmann agreed and stated that the committee should consider addressing items that are outsourced. We should continue to take this to the Legislature.

Clerk Alvarez-Sowles presented an additional proposed allocation option to address the continued jury funding shortfall. We know that we are going to have a shortfall next year. This proposal would use the deficit from the prior year to fund the clerk’s office for the following year.

Mr. Kolchakian, on behalf of Clerk Burke, presented a proposed allocation option to distribute any available funding using an across-the-board methodology based on last year’s budget.

Clerk Roth asked if we know yet what the carry forward revenue will be. Mr. Kolchakian stated that the Cumulative Excess is $14.2 million, the Unspent Budgeted Funds is $11.9 million, and $1.4 million of the Unspent Budgeted Funds will go to the clerks’ reserve fund. The only unknown is the REC estimate.

Clerk Cooney asked if the budget issue requests have been reviewed to look at the Needs-Based Budget. Mr. Kolchakian stated that staff had not completed the review for every clerk, but will hopefully have this review completed soon. Clerk Butterfield stated that, if a decision was made today on methodology for funds above Base, we may want to hold some funds back and not allocate 100% of the available funds yet.

Clerk Butterfield noted that the committee did not discuss the allocation option on population. Chair Russell read the overview of Clerk Stuart’s memo for the proposed allocation methodology based on BEBR population estimates.

Clerk Kinzel stated that her revenues exceed her requested expenses and wants the committee to address this point in its allocations.

**A motion to approve the allocation option implementing weighted cases statewide was made by Clerk Cooney and seconded by Clerk Daughtrey. After committee discussion, Clerk Daughtrey removed her second. The motion did not pass.**

Clerk Alvarez-Sowles stated that a cost-of-living model was needed as well and should be considered with the weighted cases. Clerk Kinzel agreed. Clerk Butterfield stated that the committee should potentially wait until the issue requests are finalized and we see what comes from the REC. Clerk Green agreed and supports leaving room until we see what the total needs are. Clerk Daughtrey reminded the committee that we are all in this together. Clerks are charged to do the same work whether small, medium, or large. Clerk Daughtrey asked if we do a hybrid option and if we can amend the motion.

Chair Russell asked that Clerk Cooney restate his motion for clarification. Clerk Cooney restated the motion. Chair Russell asked if he was open to only using a portion of the funds for weighted cases and holding some funds back. Clerk Cooney stated that he will leave it up to the committee. Once the second was removed, an additional second to the motion was not made. Therefore, the motion was removed from the floor.

Clerk Kinzel stated that the committee should consider addressing depository counties first to make them whole.

**A motion was made to apply 75% of the excess funds using statewide weighted cases and reserve 25% for the committee to allocate after the budget presentations by Clerk Butterfield and was seconded by Clerk Cooney.**

Chair Russell clarified that the motion would apply to 75% of the available funds and would hold back 25% of the funds for distribution at the August committee meeting. Clerk Daughtrey supported the motion. Clerk Vick asked if the current numbers include FRS in the Base Budget. Mr. Kolchakian confirmed. He also stated that we have not officially put in the new judges funding into the budget.

Clerk Alvarez-Sowles stated that she could not support the motion as is without a cost-of-living component included. Clerk Butterfield supports the living wage model and would be open to amending the motion to 50% weighted cases, 25% living wage model, and 25% unallocated. Clerk Cooney who seconded the motion agreed to the amended motion.

**The amended motion was made to allocate the available funds above the Base Budget as follows: 50% using statewide weighted cases, 25% using the MIT living wage calculation as presented, 25% unallocated for distribution at the next meeting, and a cap on allocations above a clerk’s requested budget by Clerk Butterfield and was seconded by Clerk Cooney.** **The motion was adopted with Clerk Burke, Clerk Crawford, Clerk Kinzel, and Clerk Maloy voting Nay.**

**Agenda Item 7 – Other Business**

Chair Russell announced that, based on the committee member survey results, the next Budget Committee meeting will be August 19th and 20th in Orlando.

Meeting adjourned at 3:40 PM.