



## **II Overview of Revision 7 and the Work of the Article V Funding Steering Committee**

Staff explained that the budget and policies of the trial courts would no longer be the primary domain of local authorities because of Revision 7. More funding for the trial courts will come from the legislature, making the relationship between the judiciary and the legislature more significant. This commission was created to provide a voice for the trial courts and to make its needs known to the legislature.

Staff further reviewed the Article V dollars in the state budget for FY 1997-98, prior to the passage of Revision 7. It was pointed out that the state has not primarily funded the trial court budgets, but that more than half has been paid by the counties. A historical overview of state appropriations and county expenditures for Article V, showing the fairly steady rise of the counties' Article V obligations was provided. In 1998, the counties were successful with having Revision 7 placed on the ballot by the Constitutional Revision Commission.

Changes made by Revision 7 to Article V provide that: 1) Funding for the state courts system shall be provided by the state pursuant to general law; 2) Filing fees and service charges will primarily fund the Clerks, however, selected salaries and expenses of the state court system may be appropriated from these monies; and 3) the counties are required to pay for facilities, communications and security and they must pay for reasonable salaries, costs and expenses of the state court system to meet local requirements as determined by general law.

Several important issues surrounding the current political environment and its potential impact on implementation of Revision 7 were discussed. In particular, issues such as the large amount of money the legislature must appropriate, the impact of term limits (educating new members), personnel and budget reductions proposed by the Governor, and litigation involving legislative enactments.

Additionally, key Revision 7 policy issues the legislature must address were explained by staff. For example: What court function will be state funded, how much will it cost; how much court-related revenue will be made available to offset costs; and what court functions will be a local requirement or option?

Staff gave an overview of the 2000 Legislature's response to Revision 7. In particular, an overview of Senate Bill 1212. Key provisions of the bill were summarized including the requirement that counties maintain their current funding level until the legislature expressly assumes responsibility, the broad definitions of the essential elements of the court system, the specified county obligations, the establishment of a contingency fund for extraordinary criminal case-related costs for small counties, three conflict cases pilot projects (Hillsborough, Polk and Dade Counties), the creation of the Financial Accountability and Efficiency Workgroup and the Joint Legislative Committee on Article V.

Next, staff provided an overview of the Judicial Branch's response to Revision 7 to date. Staff discussed the Supreme Court Article V Funding Steering Committee's Guiding Principles and Goals, the membership and structure of the committee, and the elements and results of the cost inventory done in Spring 1999. Staff also discussed lessons learned from examination of two states, California and

New Jersey, which have been through a transition to state funding. Information on each of the subcommittees of the Article V Funding Steering Committee was then presented.

### **III Short Term and/or Long Term Policy Issues**

Staff first identified those policy issues that have been identified in SB 1212 as issues the commission must address. Some of the policy issues discussed were: How do we define “essential elements” of the court system or those areas that “enhance judicial administration?” SB 1212 provided only broad definitions of these elements. What is a sufficient amount to fund the first phase of Revision 7? Judge Schaeffer emphasized the importance of this question. What criteria, formulas or other methodologies should be used to justify a budget request? How will we define a local requirement? What will be our revenue sources? Should county personnel become state employees? Who will be setting the minimum standards for court facilities and security and who will assure these standards are met? Should the county or state be responsible for technology? How do we assure that nonjudicial due process costs are adequately funded?

### **IV TCBC Subcommittees**

Judge Schaeffer explained that an Executive Committee will be created to oversee all subcommittees and their issues. The following additional subcommittees were suggested by the Commission:

- 1) Funding Methodologies Subcommittee - charged with recommending the basis for funding for all resources, and specifically the issue of determining the basis of funding for the essential elements, and determining accountability standards.
- 2) Local Requirement/Obligations and Standards Subcommittee - charged with defining local county requirements and obligations and developing standards regarding facilities, security, and communications services.
- 3) Personnel Subcommittee- charged with looking at personnel transition issues.
- 4) The Revenue and Revenue Enhancement Subcommittee- charged with the revenue issues related to examining current fines, fees, and court costs and determining what revenues currently are provided from these to the court and which additional offsets could be developed. In addition, the subcommittee was charged with examining current assessment and enforcement efforts of both mandatory and discretionary fines, fees, and court costs.
- 5) Non-judicial Due Process Costs Subcommittee- charged with dealing with conflict counsel as well as other non-judicial due process costs and making recommendations on how to assure these expenses are adequately funded by the state and developing a process of accountability.

Judge Schaeffer adjourned the first day of the meeting at 4:30 P.M.

## **Day Two - December 12, 2000**

### **Opening Remarks**

Judge Schaeffer, Commission Chair, called the meeting to order at 8:30 a.m. on December 12 and welcomed the members, guests and staff back for the second day. Judge Moran was excused for the second day of the meeting.

### **V Review of Proposed TCBC Operational Procedures**

Judge Schaeffer began the review of the proposed TCBC Operational Procedures. A general discussion ensued on the various sections of the draft procedures. Some changes were made in the draft. It was agreed that staff would edit the draft and present at the next meeting. It was further agreed that staff would examine the Appeal Procedure prior to the next meeting and bring back recommendations.

### **VI Legislative Process and Timetable**

Judge Schaeffer introduced Brenda Johnson, Legislative Director for OSCA, who presented an overview of the legislative process and timetable. Ms. Johnson began by providing a snapshot of the overall makeup of the membership in each chamber, a review of the rule changes made by each house and the role of the Governor in approving legislation. She and Ken Palmer stressed the importance of

judges working with their legislative members. She suggested that at the next TCBC meeting that additional information on lobbying rules and regulations be provided to the Commission members.

## **VII Appropriations Process and State Trial Court Budget Overview**

Charlotte Jerrett, Chief of Budget Services for the State Courts, presented an overview of the courts operating budget and the procedure for developing legislative budget requests (LBR). Ms. Jerrett explained how the budget is allocated to the twenty different judicial circuits. She reviewed OSCA's account codes and explained how to identify special programs in various circuits. It was emphasized that the Commission will not deal with judges salaries and benefits, only with the operating budget and staff pay issues.

## **VIII Budget Issues for 2001/2002 and TCBC Timetable**

Staff reviewed the budget issues of concern for this year, including the Governor's goal of trying to cut 25% from the operating budget. Staff explained why this is problematic for courts. The Commission reviewed a letter sent from Chief Justice Wells to the Governor explaining the problems with such across the board cuts in the judicial branch. Also of concern is a projected \$800M deficit in Medicaid in this year's budget. Finally, a budget issue related to privatizing of services was discussed with the Commission. A review of the TCBC timetable pointing out key deadlines corresponding to the state's budget cycle was then discussed.

## **IX Overview of Financial Accountability and Efficiency Workgroup Activities**

Staff presented the scope of responsibility of the Financial Accountability and Efficiency Workgroup which was established by the Senate Bill 1212. An overview of the Workgroup's first meeting held in October 2000 was provided. One of the main purposes of the Workgroup is to make recommendations regarding alternative structures for budgeting and fiscal management for the state court system. This includes reviewing the current information and accounting systems to determine if such systems are appropriate for the long-term accounting requirements for the trial court budget.

Staff presented an analysis of two years Uniform Chart of Accounts (UCA) data and data from the 1999 OSCA Cost Inventory to determine where further research needed to be conducted to improve financial expenditure data. It was explained that as soon as data is available from OSCA's 2000 Cost Inventory these numbers also would be plugged into the analysis. Based on the data collected thus far, it was determined that staff could potentially identify those categories that had good and reliable data, those categories that with some work would be reliable, and those categories which will need a lot of auditing.

**X      Subcommittee Appointments and Work Assignments**

Judge Schaeffer accepted a motion from Mark VanBever to accept the six suggested subcommittees: Executive Committee, Personnel, Non-Judicial Due Process, Funding Methodology, Revenue and Revenue Enhancements, and Local Requirements / Obligations / Standards. Judge Francis seconded the motion. Motion passed.

Ken Palmer, State Courts Administrator, then provided suggestions to the Commission on what needs to be accomplished in the months prior to the legislative session and which committees need to begin work immediately.

Some questions arose regarding technology responsibility. Ken Palmer explained the current responsibility and advised that we must be prepared if the responsibility for technology changes during the next legislative session. The OSCA Technology Committee will make recommendations as to how to proceed.

Judge Schaeffer thanked the OSCA staff and the members for their attention. She stated there was a lot of hard work to be done in very short amount of time. The meeting was adjourned at 3:00 P.M.