

Court of Claims

- Court of Claims undergoes dramatic downsizing as control of the Victims of Crime Compensation Program shifts to the Office of the Attorney General

OVERVIEW

The Court of Claims, established in 1975, is the only statutory court with statewide jurisdiction. The court serves two major purposes. First, it has original, exclusive jurisdiction over all civil actions (i.e. personal injury, property damage, contracts, and wrongful imprisonment) filed against the State of Ohio and its agencies. Prior to its creation, there was no forum for such civil action. The Civil Division of the court handles these cases.

The second purpose of the court was created in 1976, when the Victims of Crime Compensation Program was enacted and its administration was assigned to the court. From 1976 until July 1, 2000, the court's Victims of Crime Division handled all claims for compensation from the Victims of Crime Fund. The Office of the Attorney General then investigated the claim and filed a finding a fact and recommendation with the court. At the start of FY 2001, the Victims of Crime Compensation Program underwent a rather dramatic transformation. With the passage of Am. Sub. S. B. 153 of the 123rd General Assembly, the primary responsibility for the administration of the Victims of Crime Compensation Program was shifted from the court to the Office of Attorney General. The fiscal ramifications of this change will be discussed in more detail later in this section.

The court consists of incumbent or retired justices or judges of the Supreme Court of Ohio, courts of appeals, and courts of common pleas, who sit by assignment of the Chief Justice of the Supreme Court. The appointments to the court are temporary, usually about three months. Many of the judges, however, are reappointed for multiple terms. While a motion can be filed requesting that a panel of three judges hear a particular case, these cases must present unusual or complex issues of law or fact for the request to be granted. Few cases are eligible for a hearing before a panel of three judges.

In addition to its judges, the court also has six commissioners who are appointed by the Chief Justice of the Supreme Court of Ohio. Commissioners are not required to have previous judicial experience, although they are required to be lawyers with three years of work experience.

Civil Division

As previously mentioned, the court possesses exclusive jurisdiction in all civil claims against the State of Ohio and its agencies. Along with 3 appointed judges, the court also uses clerks to handle civil actions against the state of \$2,500 or less. A single clerk or referee may administratively hear a claim and render a judgment. Any case involving claims greater than \$2,500 must be heard by a judge. A majority of the civil actions are handled administratively. The civil side of the court's operation is funded by GRF line item 015-321, Operating Expenses.

The appeals process for civil cases is quite straightforward. If the case was originally heard by a clerk of the court (involving \$2,500 or less), the case can be appealed to a judge of the court. The decision of this judge is final. If the case was originally heard by a judge of the court (over \$2,500), the case may be appealed to the Tenth District Court of Appeals in Franklin County, and further appealed to the Supreme Court of Ohio.

Victims of Crime Division

Historically, the court's other major area of activity had been its responsibility to administer the Victims of Crime Compensation Program. Under the program, individuals suffering personal injury as the result of criminal conduct are eligible to apply for compensation. This compensation included, but was not limited to, psychiatric care/counseling, medical expenses, work loss compensation, and unemployment benefits loss. Dependents could also receive awards for economic loss, replacement services loss, and certain funeral expenses in the case of a homicide. The maximum award was \$50,000 per victim, per criminal incident.

To be eligible for compensation, a victim must report the crime to a law enforcement officer within 72 hours of its occurrence and must file a claim of compensation within two years after the date of the crime. The Office of the Attorney General investigates the crime and loss claim, and, at one time, returned a finding of fact and recommendation to the court. Previous to July 1, 2000, when Am. Sub. S.B. 153 went into effect, the following steps were followed by the court. First, a single court commissioner rendered a written opinion. At that point, the claimant or the Office of the Attorney General could appeal the decision of the commissioner, whereupon the case then proceeded to a panel of three commissioners for a full hearing. Finally, the appeal of the decision could go one step further to a judge of the Court of Claims. No further appeal could occur after the judge's determination.

As mentioned in the beginning of this overview of the court, the program has undergone a major transformation during the last fiscal year. Pursuant to Am. Sub. S.B. 153, the responsibility for administering the Victims of Crime Compensation Program was transferred from the Court of Claims to the Office of the Attorney General. This has significantly changed the role that the court plays in these cases. Whereas before, the court rendered the initial decisions on compensation cases and was responsible for disbursing these reparation awards, now this responsibility has been transferred to the Office of the Attorney General. The court still handles the appeals process. The court has indicated that only about one percent of these claims are appealed, and thus expects that its caseload will be significantly smaller than what it was previously.

Prior to Am. Sub. S.B. 153, the operation of the court's Victim of Crime Division was funded entirely by its State Special Revenue (SSR) Fund line item 015-601, Victims of Crime. On July 1, 2000, a new SSR line item was created to finance the activities of the court's Victims of Crime Division (015-603, CLA

Victims of Crime). Because of the significant reduction in the court's duties and responsibilities relative to the Victims of Crime Compensation Program, the appropriation is much smaller than what it has been in the past.

Shared Costs

After the changes caused by Am. Sub. S.B. 153, the court contracted for the assistance of a consultant, DMG-Maximus, to conduct a financial review of the operational costs shared by the court's Civil and Victims of Crime division. (Shared costs include things like office rent, clerks and clerk administration, judicial and administrative services staff, computer services, and fiscal services.) In previous years, the court had split shared costs evenly (50/50) between the Civil and Victims of Crime divisions. Since the majority of the Victims of Crime Compensation Program had shifted to the Office of the Attorney General, the court wanted to examine how those shared costs should be adjusted. With the help of the consultant, the court determined that the shared costs between the two divisions should be divided such that the Civil Division would pay 67 percent and the Victims of Crime Division would pay 33 percent. This shift in shared costs is largely responsible for the increase in GRF funding requested by the court.

Executive Recommendation

It should be noted that, as required by section 107.03(B) of the Revised Code, the executive branch of the State of Ohio has limited authority over the state's judicial branch, especially in the case of their biennial budgets and associated permanent and temporary law. Although these budgets are presented to the legislature as executive recommendations, the Office of Budget and Management in reality only serves as the conduit through which judicial budgets are passed to the legislature. Thus, the burden of examining these judicial branch requests falls on the legislature.

The total funding amount requested by the court is \$8,381,067, or 61.6 percent, less in FY 2002 than the court's estimated FY 2001 expenditures. The total funding amount requested by the court decreases again in FY 2003 by \$271,695, or 5.2 percent. The requested amount of FY 2002 GRF funding, however, increases by \$466,740, or 16.2 percent, over estimated GRF expenditures in FY 2001, and increases again in FY 2003 by \$16,771, or 0.5 percent. Because of the loss of the revenue associated with the Victims of Crime Compensation Program, GRF funding now accounts for nearly two-thirds of the court's total annual budget. Prior to the dramatic reduction in the court's role in the Victims of Crime Compensation Program, GRF funding accounted for only about one-tenth of its annual budget.

All of the court's appropriated GRF funding is held in a single administration line item: 015-321, Operating Expenses. The Victims of Crime Fund (Fund 5K2) moneys used by the court are appropriated to line item 015-603, CLA Victims of Crime. The budget of the court also includes a GRF line item for which funds are never appropriated in the biennial budget bill: 015-402, Wrongful Imprisonment Compensation. This line item's funds are transferred from the Controlling Board's GRF line item 911-401, Emergency Purposes/Contingencies. The funds are then used to pay those who have been judged wrongfully imprisoned in the State of Ohio. When a wrongful imprisonment judgment has been journalized in a court of common pleas, the Controlling Board, upon certification by the Court of Claims, transfers the sum necessary to this line item.

ADDITIONAL FACTS AND FIGURES

Court of Claims Staffing Levels*							
FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001*	FY 2002*	FY 2003*
61	62	65	62	60	41	33	33

*The staffing levels displayed in the above table represent full-time equivalents (FTEs). The number of FTEs for FYs 2001 to 2003 represent an estimate.

- The dramatic drop in staffing levels following FY 2000 is due to the transfer of the Victims of Crime Compensation Program to the Office of the Attorney General. The court has reduced their staffing level in their Victims of Crime and Civil divisions. Cutting staff has been a gradual process because the court will continue to handle all victims' claims that were filed prior to the July 1, 2000, the date on which the Office of the Attorney General took control of the program.

Civil Caseload by Calendar Year					
Civil Case Types	CY 1996	CY 1997	CY 1998	CY 1999	CY 2000
Administratively processed claims (\$2,500 or less)	819	716	636	1,022	707
Judicially processed claims (over \$2,500)	492	540	458	398	518
Totals	1,311	1,256	1,094	1,420	1,225

- The number of civil cases handled by the court has not changed drastically over the years. While there are minor fluctuations from year-to-year in the number of civil cases filed in the court, their civil caseload has remained fairly constant over the last five calendar years.
- The administrative staff of the court believe that the variations in caseload that do occur are likely to be caused by things such as weather impacting road conditions and media coverage of the existence of the court.

ANALYSIS OF EXECUTIVE PROPOSAL

Court of Claims

Purpose To hear and determine all civil actions against the State of Ohio and its agencies and to administer appeals for the Ohio Victims of Crime Compensation Program.

The following table shows the line items that are used to fund the court's activities, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	015-321	Operating Expenses	\$3,339,352	\$3,356,123
SSR	015-603	CLA Victims of Crime	\$1,891,183	\$1,602,716
Total court funding			\$5,230,535	\$4,958,839

The court is a single-program series agency. Specific activities within the court that this analysis will focus on include:

- **CIVIL DIVISION**
- **VICTIMS OF CRIME DIVISION**

CIVIL DIVISION

Program Description: The Court of Claims was created by the passage of the Court of Claims Act in 1975. The court's authority is contained Chapter 2743. of the Revised Code. The court serves as the court of original, exclusive jurisdiction over all civil actions filed against the State of Ohio and its agencies. The court hears approximately 1,300 civil cases each year. Of these, about 40 percent are dismissed for reasons such as failure to state a cause of action.

Funding Source: GRF

Line Items: 015-321, Operating Expenses.

Implication of the Executive Recommendation: The court's Operating Expenses line item will increase by 16.2 percent in FY 2002. This relatively dramatic increase in GRF is intended to replace Victims of Crime Fund moneys that were lost when control of the Victims of Crime Compensation Program was transferred to the Office of the Attorney General. The affected state agency and not the court pay judgments against the state; the court's GRF funds go only to cover its operational expenses. The amount of GRF funding requested by the court should allow it to operate and continue all of its current activities in the next biennium. The court has no programmatic expansions planned.

VICTIMS OF CRIME DIVISION

Program Description: The Victims of Crime Act, contained in sections 2743.51 to 2743.72 of the Revised Code, established the Victims of Crime Compensation Program in 1976. Individuals suffering personal injury as the result of criminal conduct are eligible to apply for compensation. This compensation includes, but is not limited to, medical expenses, work loss, unemployment benefits loss, and replacement services. Dependents may receive awards for economic loss, replacement services loss, and certain funeral expenses incurred after a victim's death. The maximum award is \$50,000 per victim per incident. Prior to FY 2001, the court essentially controlled the program. As of FY 2001, the court's involvement in the program was reduced to hearing appeals of decisions made by the Office of the Attorney General.

Funding Source: SSR

Line Items: 015-603, CLA Victims of Crime.

Implication of the Executive Recommendation: The executive recommendation for the court will allow it to continue as the appellate authority for the Victims of Crime Compensation Program. The requested amount should be sufficient to pay for the court's operational costs, including the payroll costs associated the five remaining full-time staff necessary to support their side of the program. One of the trends that should be noted in the executive recommendation is that there is a drop in the CLA Victims of Crime line item (015-603) between FYs 2002 and 2003. This has to do with the phasing down of the court's role in the program. It is anticipated that, by FY 2003, the court will no longer be paying money for severance or unemployment benefits.

PERMANENT AND TEMPORARY LAW

There are no permanent or temporary law provisions contained in the executive budget that explicitly affect the duties, responsibilities, or fiscal operations of the Court of Claims.

REQUESTS NOT FUNDED

Under existing law, section 107.03(B) of the Revised Code, the executive branch of the State of Ohio has limited authority over the state's judicial branch, especially in the case of their biennial budgets and associated permanent and temporary law. Although these budgets are presented to the legislature as executive recommendations, the Office of Budget and Management in reality only serves as the conduit through which judicial budgets are passed to the legislature. Thus, the burden of examining the Court of Claims' budget request, as well as deciding what parts of it to fund or not fund, falls on the legislature.

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
CLA Court of Claims									
GRF	015-321	Operating Expenses	\$2,872,612	\$ 3,339,352	\$ 2,953,045	2.8%	\$ 3,356,123	\$ 3,035,730	2.8%
GRF	015-402	Wrongful Imprisonment Compensation	\$0	\$ 0	----	N/A	\$ 0	----	N/A
General Revenue Fund Total			\$ 2,872,612	\$ 3,339,352	\$ 2,953,045	2.8%	\$ 3,356,123	\$ 3,035,730	2.8%
402	015-601	Victims of Crime	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
5K2	015-603	CLA Victims of Crime	\$10,738,989	\$ 1,891,183	\$ 1,891,183	-82.4%	\$ 1,602,716	\$ 1,602,716	-15.3%
State Special Revenue Fund Group Total			\$ 10,738,989	\$ 1,891,183	\$ 1,891,183	-82.4%	\$ 1,602,716	\$ 1,602,716	-15.3%
Total All Budget Fund Groups			\$ 13,611,601	\$ 5,230,535	\$ 4,844,228	-64.4%	\$ 4,958,839	\$ 4,638,446	-4.2%

General Revenue Fund

GRF 015-321 Operating Expenses

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,845,162	\$2,154,439	\$2,458,920	\$2,872,612	\$3,339,352	\$3,356,123
	16.8%	14.1%	16.8%	16.2%	0.5%

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 694 of the 114th G.A., the main appropriations act covering FYs 1982 and 1983.

Purpose: This line item essentially funds the payroll, maintenance, and equipment costs of the Court of Claims' Civil Division.

GRF 015-402 Wrongful Imprisonment Compensation

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$30,205	\$0	\$75,501	\$0	\$0	\$0
	-100.0%	N/A	-100.0%	N/A	N/A

Source: GRF

Legal Basis: ORC 2743.48

Purpose: This line item is used to pay a sum of money to those who have been judged wrongfully imprisoned, in addition to reasonable attorney fees and other expenses. When a wrongful imprisonment judgment is journalized, the Controlling Board, upon certification by the Court of Claims, transfers the sum necessary to this line item. Since the Controlling Board provides money for the awards on an as-needed basis, the line item does not receive a direct appropriation through the main appropriations act passed by each General Assembly. The necessary funds are simply transferred from the Controlling Board's GRF line item 911-401, Emergency Purposes/Contingencies.

State Special Revenue Fund Group

402 015-601 Victims of Crime

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$20,731,609	\$21,498,554	\$18,235,635	\$0	\$0	\$0
	3.7%	-15.2%	-100.0%	N/A	N/A

Source: SSR: 1) court costs of \$30 and \$9 imposed, pursuant to ORC 2743.70, upon on an offender convicted of or pleading guilty to a felony or misdemeanor, respectively, other than a nonmoving traffic violation; 2) money collected by the state pursuant to its right of subrogation; 3) federal Victims of Crime Act funds used only for awards to compensate victims of crime for out-of-pocket expenses incurred as a result of their victimization (CFDA #16.576, Crime Victim Compensation); 4) seventy-five dollars of the \$425 fee collected pursuant to ORC 4511.191 for the reinstatement of a driver's license that was suspended for operating a motor vehicle while under the influence of alcohol or drugs (OMVI); 5) payments collected by the Department of Rehabilitation and Correction from prisoners who voluntarily participate in an approved work and training program; 6) small miscellaneous charges for things such as copying; and 7) the portions of the proceeds of the sale of a forfeited vehicle as specified in ORC 4503.234(D)(2).

Legal Basis: ORC 2743.191 (originally established by Am. Sub. H.B. 82 of the 111th G.A.; revenue stream moved into the Office of the Attorney General's budget pursuant to Am. Sub. S.B. 153 of the 123rd G.A.)

Purpose: Prior to July 1, 2000, the revenue deposited in this fund was used for the purpose of compensating victims of crime, including all administrative costs incurred by the Court of Claims and the Office of the Attorney General. Revenue for various victims assistance activities and programs in the Office of the Attorney General's budget also drew on this fund. The amounts paid against claims awarded to victims were determined by commissioners of the Court of Claims, but the size of any award could not exceed \$50,000 per victim per any one incident. This fund was eliminated from the court's budget with the passage of Am. Sub. S.B. 153 of the 123rd General Assembly. The court's involvement with the victims program significantly decreased to an appellate function funded through Fund 5K2, the CLA Victims of Crime Fund.

5K2 015-603 CLA Victims of Crime

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$10,738,989	\$1,891,183	\$1,602,716
	N/A	N/A	N/A	-82.4%	-15.3%

Source: SSR: cash transferred by the Director of the Office of Budget and Management from the Office of the Attorney General's Victims of Crime Fund (Fund 402), also known as the Reparations Fund.

Legal Basis: ORC 2743.531 (originally established by Am. Sub. S.B. 153 of the 123rd G.A.)

Purpose: The fund is used to pay for the Court of Claims' appellate role in the Victims of Crime Compensation Program. Specifically, the fund pays for: 1) the compensation of the commissioners of the Court of Claims; 2) the compensation of judges of the Court of Claims necessary to hear and determine appeals from the commissioners; 3) the compensation of any personnel of the Court of Claims needed to administer ORC 2743.51 to 2743.72; and 4) other administrative expenses of hearing and determining appeals by the commissioners and judges of the Court of Claims.