

Judicial Conference of Ohio

House Transportation and Justice Subcommittee

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Legislative Service Commission

March 29, 2007

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LSC Redbook
for the
Judicial Conference of Ohio
House Transportation and Justice Subcommittee

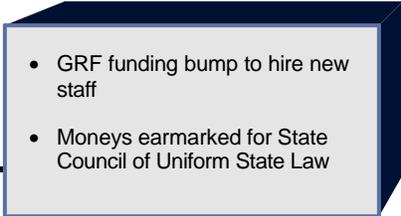
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March 29, 2007

Judicial Conference of Ohio

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- GRF funding bump to hire new staff
 - Moneys earmarked for State Council of Uniform State Law

OVERVIEW

Mission and Operations

The Judicial Conference of Ohio is a statutory entity within the judicial branch of state government created to continually study and recommend changes in the procedures and practices of Ohio's court system in an effort to promote a fair and effective administration of justice. Another important statutory responsibility is the preparation of judicial impact statements on pending legislation for legislators and members of the judiciary.

The Conference operates under a strategic plan that is updated annually. That plan has three major components: (1) judicial support, (2) judicial independence and responsibility, and (3) public confidence and community outreach. These components are fulfilled primarily through research projects, program activities, and published materials that allow information, experiences, and ideas to be shared with and among judges.

The Conference consists of all 717 active judges in Ohio, including the Supreme Court of Ohio, the courts of appeals, the courts of common pleas, the municipal courts, and the county courts. In addition, the Ohio Courts of Appeals Judges Association, the Ohio Common Pleas Judges Association, the Ohio Association of Domestic Relations Judges, the Ohio Association of Juvenile Court Judges, the Ohio Association of Probate Judges, and the Association of Municipal/County Judges of Ohio are members of the Conference.

The general charge and supervision of the administration of the Conference's affairs rests with judges who serve on the Executive Committee. The Executive Committee is comprised of approximately 40 members, including the officers, the committee chairs, the presiding officers and presiding officers-elect from the six judicial associations, and the Chief Justice and the Administrative Director of the Supreme Court of Ohio.

The Conference has 11 staff members, including the executive director who is appointed by the officers of the Executive Committee. Conference staff provide administrative and research support for more than 20 permanent and *ad hoc* committees that involve over 200 judges. While judges serving on committees receive no compensation for services rendered to the Conference, judges may receive reimbursement for reasonable and necessary expenses.

Costs of the Conference's day-to-day business is covered by a single GRF line item 018-321, Operating Expenses, while the expenses associated with supporting the work of its *ad hoc* and permanent committees and conducting various conferences, workshops, and special projects are covered by its lone non-GRF line item 018-601, Ohio Jury Instructions.

Expenditure Reductions

According to the Conference, it has been able to constrain expenditures and increase revenues over the course of the current biennium by: (1) communicating through email, broadcast fax, and conference telephone calls, (2) working with the Supreme Court to reduce postage and printing costs, and (3) distributing new publications and related updates via the Internet and CD-ROM.

Membership Fees

The Conference currently collects \$100 annually in dues from all active members, which are deposited to the credit of the Ohio Jury Instructions Fund (Fund 403). These dues are set administratively by the Conference and were increased from \$60 to \$100 beginning in 2004. The increase in annual dues was recommended by the Executive Committee and approved by the members.

Executive Recommendation

Under existing law – division (B) of section 107.03 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.

For FYs 2008 and 2009, the Conference has requested GRF appropriations totaling \$1,269,430 and \$1,329,193, respectively. Relative to its total estimated FY 2007 GRF expenditure of \$957,000, these requested amounts represent increased annual funding in the range of 30% to 40%. It appears that the purpose of this requested increase in GRF funding is largely to support the payroll and related operating expenses of three new full-time staff, and the filling of an assistant director position that has been left vacant for some period of time due to budgetary constraints.

Spending by Fund Group by Fiscal Year

The table below illustrates several features of the Conference's spending. First, the Conference relies very heavily on state GRF funding to support its operations. Second, the one-time \$11.25 million GRF appropriation that supported its now completed Court Security Subsidy Program¹ created a pronounced short-term spike in the Conference's FYs 1999 and 2000 spending. Third, subsequent to that "spike," the Conference's total annual spending has been in the \$1 million range. Since FY 2001, this Conference has relied on the GRF to finance around 80% to 85% of its total annual operating expenses.

¹ GRF line item 018-502, Court Security Subsidy, was created to provide funds for both a statewide court security assessment and a grant program to assist local courts with the implementation of recommendations on how to improve local court security. This line item was created in the main operating appropriations act of the 122nd General Assembly, Am. Sub. H.B. 215, with the understanding of both the legislature and the Conference that the grant program would discontinue after two years. The Conference was successful in conducting a statewide security assessment and making recommendations for the enhancement of court security. The grant awards were one-time and set at a maximum amount of \$23,000 per court. The disbursement of the grant money was completed in FY 2000. Before this grant program existed, approximately 75% of the courts in Ohio had little or no security. Now, as a direct result of the Conference's Court Security Subsidy Program, about 85% of Ohio's local courts have needed security measures and equipment in place. The remaining balance of the fund, approximately \$30,000, was transferred to the Judiciary/Supreme Court in order to cover the printing and distribution of a Court Security Operations Manual to local courts.

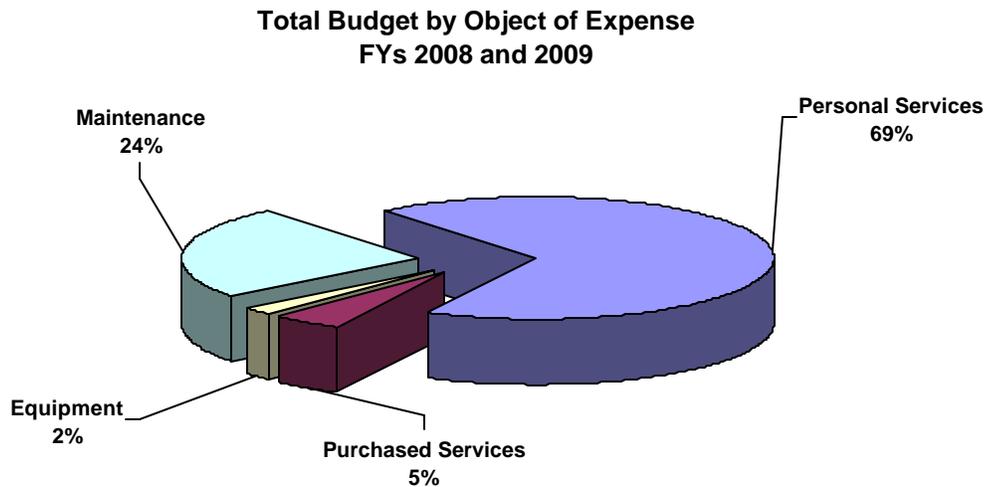
| Spending by Fund Group by Fiscal Year | | | | | |
|---------------------------------------|-------------|-----------|-------------|---------------------------------------|----------------------------------|
| Fiscal Year | GRF | GSF | Total | Percent Change from Prior Fiscal Year | GRF Percentage of Total Spending |
| 1998 | \$789,090 | \$ 97,680 | \$886,770 | 20.8% | 89.0% |
| 1999 | \$3,227,364 | \$128,216 | \$3,355,580 | 278.4% | 96.2% |
| 2000* | \$8,960,563 | \$161,385 | \$9,121,948 | 171.8% | 98.2% |
| 2001 | \$1,063,940 | \$187,621 | \$1,251,561 | (86.3%) | 85.0% |
| 2002 | \$1,105,705 | \$156,202 | \$1,261,907 | 0.8% | 87.6% |
| 2003 | \$1,115,905 | \$198,944 | \$1,314,849 | 4.2% | 84.9% |
| 2004 | \$918,751 | \$193,808 | \$1,112,559 | (15.4%) | 82.6% |
| 2005 | \$956,998 | \$224,672 | \$1,181,670 | 6.2% | 81.0% |
| 2006 | \$956,949 | \$248,271 | \$1,205,220 | 2.0% | 79.4% |
| 2007* | \$957,000 | \$225,000 | \$1,182,000 | (1.9%) | 81.0% |
| 2008* | \$1,269,430 | \$350,000 | \$1,619,430 | 37.0% | 78.4% |
| 2009* | \$1,329,193 | \$350,000 | \$1,679,193 | 3.7% | 79.2% |

+ Refer to footnote.

* The amounts displayed for FYs 2007 through 2009 are estimates.

FYs 2008-2009 Expense Summary

As the following pie chart indicates, more than two-thirds of the Conference's proposed total biennial budget for FYs 2008 and 2009 will be allocated for personal services, which includes salaries, benefits, retirement, purchased time, and training.



State Council of Uniform State Laws

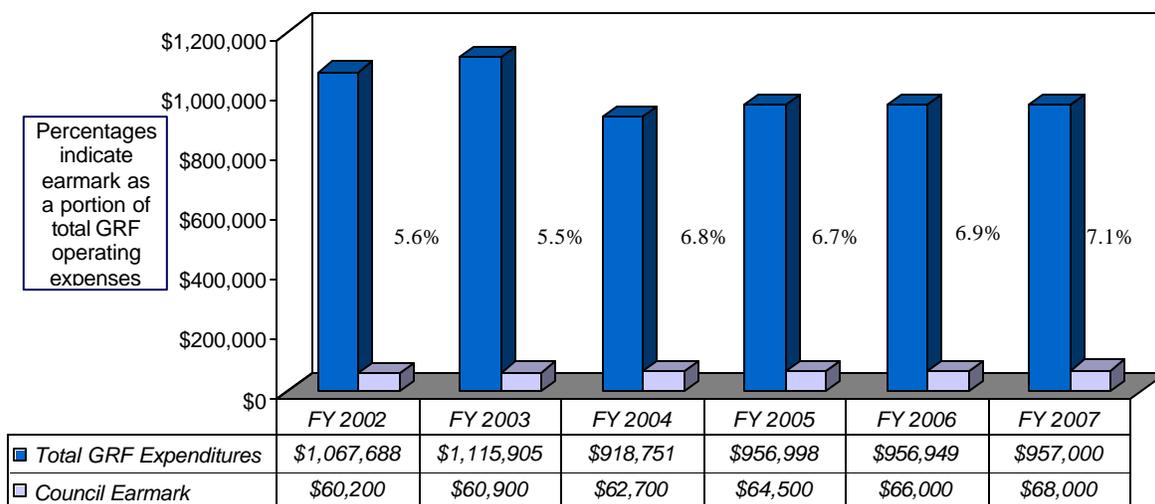
The Conference is obligated to pay the expenses associated with the State Council of Uniform State Laws (NCCUSL). The Council, which consists of four commissioners appointed by the Governor, collects and digests data concerning the prevailing law in the United States and other countries, upon such subjects where uniformity is important. It is also charged with ascertaining the best means to effect uniformity upon such subjects in the laws of the various states of the United States.

The Council submits its funding request to the Conference and the amounts are appropriated and earmarked accordingly. The Conference essentially acts as a pass-through funding conduit for the Council. According to the Conference, the earmark is primarily used for membership fees and travel reimbursements for Ohio's delegation in relation to the National Conference of Commissioners on Uniform State Laws (NCCUSL). The Conference receives no publications from the Council, does not participate in any meetings, and likewise does not have oversight control over the expenditures.

Contained in the executive-recommended budget is a temporary law provision earmarking GRF funds of up to \$71,000 in FY 2008 and up to \$73,000 FY 2009 for this purpose. The Conference has informed LSC fiscal staff that, based on recent communications from NCCUSL, the earmarked amounts need to be increased by \$5,200 in each fiscal year. The Conference has no discretion in determining the amount that the Council requests.

As shown below, the Council's earmark has become an increasingly larger portion of the Conference's total annual GRF budget, increasing from 5.6% in FY 2002 to 7.1% in FY 2007. To date, the earmark has increased roughly \$2,000 each year.

State Council Earmark as a Percentage of the Conference's Total Annual GRF Operating Expenses from FYs 2002 to 2007



Staffing Levels

As the table below illustrates, the Conference has been functioning with around a dozen full-time staff for the last five years or so. Built into the biennial budget request covering FYs 2008 and 2009 are additional GRF moneys to support the hiring of three new full-time staff that the Conference believes are necessary to handle the increasing demand for services and to fill an assistant director position that has been left vacant for some period of time due to budgetary constraints.

| Judicial Conference of Ohio Staffing Levels by Fiscal Year* | | | | | | | |
|-------------------------------------------------------------|---------|---------|---------|---------|----------|----------|----------|
| FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007* | FY 2008* | FY 2009* |
| 12 | 11 | 11 | 11 | 11 | 11 | 14 | 14 |

* The staffing levels displayed in the above table represent full-time equivalents (FTEs). The number of FTEs for FYs 2007 through 2009 represents estimates.

ANALYSIS OF EXECUTIVE PROPOSAL

For budget purposes, as detailed below, the Judicial Conference of Ohio is considered a single program series agency and its activities are not subdivided into multiple programs.

Single Program Series

1: Education and Information

Purpose: To study and recommend changes in the procedures and practices of Ohio's court system in an effort to promote a fair and effective administration of justice.

The following table shows the two line items that are used to fund the Conference's Education and Information activities, as well as the Governor's recommended funding levels.

| Fund | ALI | Title | FY 2008 | FY 2009 |
|---------------------------------------------------|---------|------------------------|--------------------|--------------------|
| General Revenue Fund | | | | |
| GRF | 018-321 | Operating Expenses | \$1,269,430 | \$1,329,193 |
| General Revenue Fund Subtotal | | | \$1,269,430 | \$1,329,193 |
| General Services Fund | | | | |
| GSF | 018-601 | Ohio Jury Instructions | \$350,000 | \$350,000 |
| General Services Fund Subtotal | | | \$350,000 | \$350,000 |
| Total Funding: Education & Information | | | \$1,619,430 | \$1,679,193 |

Program Description: The Judicial Conference of Ohio was established by Am. Sub. H.B. 205 of the 105th General Assembly. The Conference was created to promote fair and effective administration of justice, and as an avenue for judges to exchange experiences and suggestions relative to the operation of the state's judicial system. This is accomplished by educating and informing judges through conferences, videos, mentoring programs, and numerous publications related to the state of the judiciary in Ohio. The Conference also produces judicial impact statements on pending legislation for legislators and members of the judiciary.

Funding Sources: (1) GRF and (2) annual membership dues, conference registration fees, royalties, and other miscellaneous sources, including various one-time grants

Line Items: See above table

Implication of Executive Recommendation: Under the executive budget, total GRF funding for the Conference will increase by: (1) \$312,430 in FY 2008, an increase of 32.6% from the estimated FY 2007 GRF expenditure of \$957,000 and (2) \$59,763 in FY 2009, an increase of 4.7% from the FY 2008 requested amount. It appears that this requested increase in GRF funding would largely be used to support the hiring of three new full-time staff and the filling of an assistant director position that has been left vacant for a period of time due to budgetary constraints. Also of note is that the annual GRF amounts earmarked for the expenses of the State Council of Uniform State Laws may be less than will be required by an estimated \$5,200 in each fiscal year.

Temporary Law

State Council of Uniform State Laws (Section 311.10). The Conference's executive-recommended budget contains a temporary law provision permitting it to use up to \$71,000 in FY 2008 and up to \$73,000 in FY 2009 of the amounts appropriated to GRF line item 018-321, Operating Expenses, to pay the expenses of the State Council of Uniform State Laws. The permissive temporary law first appeared in the Conference's biennial budget covering FYs 1988 and 1989 (Am. Sub. H.B. 171, the main operating appropriations act of the 117th General Assembly).

Ohio Jury Instructions Fund (Section 311.10). The executive-recommended budget contains a temporary law provision specifying the revenue stream that is to be deposited to the credit of the Conference's Fund 403, Ohio Jury Instructions Fund, and that its purpose is to dispense education and informational data to the state's judicial system.

The temporary law also appropriates all revenue accruing to Fund 403 in excess of the amounts appropriated in each of FYs 2008 and 2009. This means that, if Fund 403's revenue exceeds its appropriation authority as set in the executive budget, \$350,000 in each of FYs 2008 and 2009, the appropriation authority is automatically increased to reflect that additional revenue, without any further legislative action or Controlling Board approval. Also included is language prohibiting the Director of Budget and Management or the Controlling Board from transferring moneys in Fund 403 to any other fund. All of the temporary law with respect to Fund 403 was first included in the Conference's budget contained in Am. Sub. H.B. 152, the main operating appropriations act of the 120th General Assembly.

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General Revenue Fund

GRF 018-321 Operating Expenses

| 2004 | 2005 | 2006 | 2007 Estimate | 2008 Executive Proposal | 2009 Executive Proposal |
|-----------|-----------|-----------|------------------|----------------------------|----------------------------|
| \$918,751 | \$956,998 | \$956,949 | \$957,000 | \$1,269,430 | \$1,329,193 |
| | 4.2% | 0.0% | 0.0% | 32.6% | 4.7% |

Source: GRF

Legal Basis: Section 206.72 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 204 of the 113th G.A., the main appropriations act covering FYs 1980 and 1981)

Purpose: The line item is used to fund the payroll, fringe benefit, maintenance, and equipment costs of the Judicial Conference of Ohio. Associated temporary law permits up to \$66,000 in FY 2006 and up to \$68,000 in FY 2007 of the line item's appropriation in each of those fiscal years to pay the expenses of the State Council of Uniform State Laws, including membership dues to the National Conference of Commissioners on Uniform State Laws. The executive-recommended budget contained in H.B. 119 of the 127th G.A. sets those "earmarked" amounts at up to \$71,000 in FY 2008 and up to \$73,000 in FY 2009.

General Services Fund Group

403 018-601 Ohio Jury Instructions

| 2004 | 2005 | 2006 | 2007 Estimate | 2008 Executive Proposal | 2009 Executive Proposal |
|-----------|-----------|-----------|------------------|----------------------------|----------------------------|
| \$193,808 | \$224,672 | \$248,271 | \$225,000 | \$350,000 | \$350,000 |
| | 15.9% | 10.5% | -9.4% | 55.6% | 0.0% |

Source: GSF: Dues (\$100 collected annually from active members who hold a judicial office), conference fees, royalties, grants, bequests, devises, and other gifts

Legal Basis: Section 206.72 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in FY 1965)

Purpose: The fund and related line item are used to support costs incurred by the Judicial Conference of Ohio in providing educational and informational data to the state's judicial system. This includes, but is not limited to, publications, workshops, conferences (including the Conference's annual fall meeting), and meetings of the Conference's 20-plus permanent and ad hoc committees.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

| <i>Fund</i> | <i>ALI</i> | <i>ALI Title</i> | <i>2006</i> | <i>Estimated 2007</i> | <i>Executive 2008</i> | <i>% Change 2007 to 2008</i> | <i>Executive 2009</i> | <i>% Change 2008 to 2009</i> |
|-----------------------------------------------|------------|------------------------|---------------------|---------------------------|---------------------------|----------------------------------|---------------------------|----------------------------------|
| <i>JCO Judicial Conference of Ohio</i> | | | | | | | | |
| GRF | 018-321 | Operating Expenses | \$ 956,949 | \$957,000 | \$ 1,269,430 | 32.6% | \$ 1,329,193 | 4.7% |
| General Revenue Fund Total | | | \$ 956,949 | \$ 957,000 | \$ 1,269,430 | 32.6% | \$ 1,329,193 | 4.7% |
| 403 | 018-601 | Ohio Jury Instructions | \$ 248,271 | \$225,000 | \$ 350,000 | 55.6% | \$ 350,000 | 0.0% |
| General Services Fund Group Total | | | \$ 248,271 | \$ 225,000 | \$ 350,000 | 55.6% | \$ 350,000 | 0.0% |
| <i>Total All Budget Fund Groups</i> | | | \$ 1,205,220 | \$ 1,182,000 | \$ 1,619,430 | 37.0% | \$ 1,679,193 | 3.7% |