

LSC Redbook

Analysis of the Executive Budget Proposal

Court of Claims

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ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

Court of Claims

- Court's budget request maintains current service levels
- GRF drives 86% of budget
- Adjudicating civil actions against the state is primary function

OVERVIEW

Mission

The Court of Claims, established in 1975, is the only statutory court with statewide jurisdiction. Prior to its creation, there was no forum for civil actions filed against the state of Ohio. The Court of Claims' duties include:

1. Adjudicating civil actions filed against the state;
2. Hearing appeals from decisions made by the Attorney General on claims allowed under the Victims of Crime Law; and
3. Acting as the state's fiduciary agent for processing claims of wrongful imprisonment.

Appropriations Overview¹

The Court's estimated FY 2015 expenditures are compared with the executive recommendations for FYs 2016 and 2017, by fund group, in Table 1 below. For FY 2016, the Court has requested total funding of \$2,995,766, an increase of \$78,761, or 2.7%, from FY 2015 estimated expenditures of \$2,917,005. For FY 2017, the Court has requested total funding of \$3,043,699, an increase of \$47,933, or 1.6%, from the FY 2016 requested amount. These requested amounts are expected to be sufficient for the Court to maintain FY 2015 service levels over the course of the next biennium.

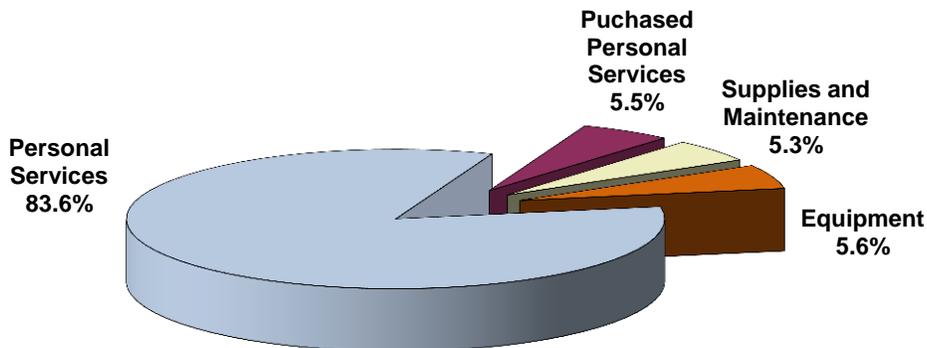
Fund Group	FY 2015*	FY 2016	% change, FY 2015-FY 2016	FY 2017	% change, FY 2016-FY 2017
General Revenue	\$2,501,052	\$2,568,582	2.7%	\$2,609,680	1.6%
Dedicated Purpose	\$415,953	\$427,184	2.7%	\$434,019	1.6%
TOTAL	\$2,917,005	\$2,995,766	2.7%	\$3,043,699	1.6%

*FY 2015 figures represent estimated expenditures.

¹ Pursuant to R.C. 107.03, no alterations can be made to the budget requests for the legislative and judicial branches of the state filed with the Director of Budget and Management. Therefore, the executive recommendations set forth in the proposed budget reflect the appropriations as requested by the Court of Claims.

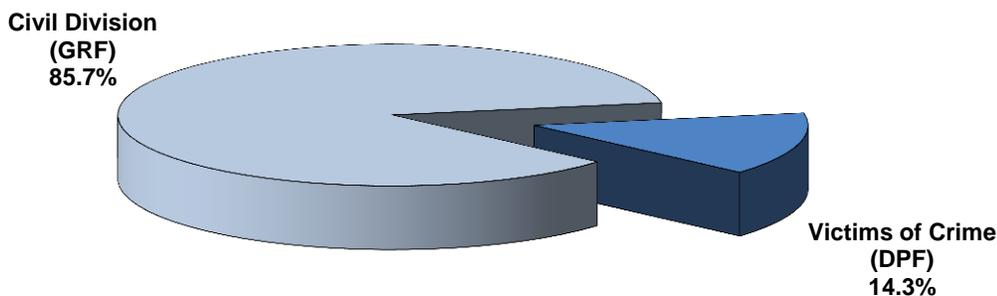
Expense category. Chart 1 below summarizes the Court's proposed biennial budget by object of expense. Approximately 84% of its total biennial appropriation is expected to be allocated for personal services, which represents the payroll-related expenses (salary and fringe benefits) associated with the equivalent of 20-plus full-time staff positions.

Chart 1: Executive Biennial Budget Recommendations by Expense Category, FY 2016-FY 2017



Fund groups. As summarized in Chart 2 below, the Court is funded through two primary sources: (1) GRF and (2) Dedicated Purpose funds, specifically cash transferred from the Victims of Crime/Reparations Fund (Fund 4020), which is administered by the Office of the Attorney General. Each source of funding is dedicated to supporting the primary functions of the Court, including administering the civil docket and overseeing the appeals of victims of crime applications, respectively.

Chart 2: Executive Biennial Budget Recommendations by Fund Group and Division, FY 2016-FY 2017



Staffing and Compensation

Tables 2 and 3 below display staffing levels in terms of full-time equivalent (FTEs) staff positions maintained by the Court from FY 2009 projected through FY 2017. Table 2 reflects the number of FTEs for the Court's two major divisions: Civil and Victims of Crime. Table 3 represents FTEs by type of appointment. It should be noted that a number of employees are part-time. For this reason, the numbers may not illustrate a physical portrayal (i.e., head count) of the Court's staffing.

As shown in Table 2, the overall staffing level has more or less been decreasing since FY 2011. These decreases have been most noticeable in the Victims of Crime Division. As civil case filings and victims of crime appeals have decreased (discussed in more detail below), so has the need for staff. Staff reductions have been made through attrition and early retirement initiatives. Two information technology (IT) positions were also eliminated and those job duties were absorbed by an independent vendor. The Supreme Court has offered to share their IT resources as necessary.

Division	2009	2010	2011	2012	2013	2014	2015*	2016*	2017*
Civil	23.9	23.1	23.5	21.2	17.3	19.0	19.0	20.7	20.7
Crime Victims	11.6	10.7	11.8	10.6	6.2	2.3	2.3	2.5	2.5
TOTAL	35.5	33.8	35.3	31.8	23.5	21.3	21.3	23.2	23.2

*The staffing levels displayed in the above table represent FTEs. FYs 2015 through 2017 are projections.

Judges. The Court resides in Franklin County and consists of judges who sit by temporary assignment of the Chief Justice of the Supreme Court. The Chief Justice may appoint incumbent justices or judges of the Supreme Court, courts of appeals, or courts of common pleas, or retired justices or judges eligible for active duty pursuant to Division (C) of Section 6 of Article IV of the Ohio Constitution. The appointments to the Court are temporary, lasting roughly three months. Many of the judges, however, are reappointed for multiple terms.

Appointment Types	2009	2010	2011	2012	2013	2014	2015*	2016*	2017*
Permanent Staff	28.9	29.3	28.5	27.5	27.5	18.0	18.0	19.7	19.7
Temporary Staff	1.6	0.7	1.8	0.0	0.0	1.9	1.9	1.2	1.2
Commissioners**	3.6	2.7	3.6	2.9	3.1	0.0	0.0	0	0
Judges	1.5	1.1	1.4	1.4	1.4	1.4	1.4	2.3	2.3
TOTAL	35.6	33.8	35.3	31.8	32.0	21.3	21.3	23.2	23.2

*The staffing levels displayed in the above table represent FTEs. FYs 2015 through 2017 are projections.

**The Commissioners were eliminated in FY 2014, as their work was transferred to existing magistrates.

The compensation levels of several Court of Claims' employees are set either by the Revised Code or the Supreme Court of Ohio.² For the remainder, compensation levels are set upon delegated authority granted to the clerk by the Supreme Court. Judges and referees are paid on a per diem basis. Cumulative per diem costs can vary from year to year depending on the number of cases filed with the Court of Claims and how many of those cases are heard by a single judge/referee or if a panel of three judges/referees are appointed to a case because of its complexity. Table 4 below illustrates the employees whose salaries are set either by the Revised Code or the Supreme Court.

While the clerk has discretionary power with respect to determining most salary costs, all budgetary matters including the Court's payroll line item are discussed quarterly with the Administrative Director of the Supreme Court.

Employee Title	R.C. Statutory Authority	Compensation Type	Current Salary/Per Diem Rate	Funding Source
Judges	2743.04	Per diem, based on the current salary of a judge of a court of appeals, plus travel expenses if the judge resides outside of Franklin County*	\$60.68 per hour	GRF
Magistrates (Referees)**	2743.03(C)(3)	Per diem, plus expenses (if a panel of three magistrates is appointed, the salary and expenses of the remaining two is taxed as costs of the case)	\$60.68 per hour	GRF***

*This per diem arrangement applies to retired judges. If, however, an incumbent judge is appointed, the per diem is equal to that allowed a retired judge less a per diem amount computed on his/her annual compensation.

**Magistrates (referees) specialize in disputes arising between the state and a contractor concerning the terms of a public improvement contract.

***Potentially supplemented by parties to a case if certain conditions are met.

Organization

As previously mentioned, the Court serves three primary functions: (1) to adjudicate civil actions filed against the state, (2) to hear appeals from decisions made by the Attorney General on claims allowed under the Victims of Crime Law, and (3) to act as the state's fiduciary agent for processing claims of wrongful imprisonment.

Civil Division

The Court's Civil Division is responsible for hearing all civil claims filed against the state of Ohio and its agencies. Claims can be adjudicated administratively, or by referees and judges, as described in more detail below.

² R.C. 2743.08 requires that the Supreme Court fix the compensation to be paid the clerk and deputy clerks, court reporters, secretaries, and clerical personnel employed by the Court of Claims.

Administrative determinations. In civil actions against the state for \$10,000 or less, the clerk may administratively determine a claim and render judgment.³ A majority of the civil actions are handled administratively.

Judicial determinations. Any case involving claims greater than \$10,000 must be decided by a judge. In most cases, a single judge will hear a case, but the Chief Justice of the Supreme Court of Ohio may assign a panel of three judges to a civil action that presents novel or complex issues of law and fact. While a motion may be filed requesting that a panel of three judges hear a particular case, few cases are eligible for a hearing before a panel of three judges.

Referees. Whenever the Chief Justice believes an equitable resolution of a case will be expedited, the Chief Justice may appoint referees (also known as magistrates) in accordance with Civil Procedure Rule 53 to hear the case. For disputes arising between the state and a contractor concerning the terms of a public improvement contract let by the state, the Supreme Court is required to appoint a referee, or a panel of three referees.⁴

The Court's decisions in these civil matters may be appealed. Cases that were originally determined by the clerk of the Court (involving \$10,000 or less) may be appealed to a judge of the Court. The decision of the judge is final. Cases that were originally heard by a judge of the Court (over \$10,000) may be appealed to the Tenth District Court of Appeals in Franklin County, and further appealed to the Supreme Court of Ohio.

Details on the filing and disposition of civil cases from calendar years 2008-2014 for both administratively processed claims and judicially processed claims are summarized in Table 5 below.

³ Effective September 10, 2012, Am. Sub. H.B. 487 of the 129th General Assembly increased the threshold below which a civil action against the state must be determined administratively from \$2,500 to \$10,000.

⁴ The referees need not be attorneys, but must be persons knowledgeable about construction contract law, a member of the Construction Industry Panel of the American Arbitration Association, or an individual or individuals deemed qualified by the Chief Justice to serve.

Table 5. Civil Case Filings, Calendar Years 2008-2014							
Type of Action	2008	2009	2010	2011	2012*	2013	2014
Administratively processed claims (less than \$2,500 prior to 9/10/12; less than \$10,000 after 9/10/12)							
Cases Filed	687	506	768	808	459	371	643
Cases Terminated	675	547	704	904	374	345	709
Cases Pending	172	145	222	117	198	302	145
Judicially processed claims (over \$2,500 prior to 9/10/12; \$10,000 after 9/10/12)							
Cases Filed	407	396	463	451	425	444	458
Cases Terminated	419	457	438	532	448	376	386
Stay/Interlocutory Appeals	182	180	188	117	133	66	60
Cases Pending	548	492	526	453	400	286	317
Trials/Hearings Held	151	120	123	102	88	51	60
Conferences Held	1,632	1,469	1,446	1,645	886	479	462

*Effective September 10, 2012, Am. Sub. H.B. 487 of the 129th General Assembly increased the threshold below which a civil action the state must be determined administratively from \$2,500 to \$10,000.

Victims of Crime Appeals

In 1976, the Victims of Crime Compensation Program was enacted and its administration was assigned to the Court. Under the program, individuals suffering personal injury as the result of criminal conduct were 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.

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 of fact and recommendation with the Court.

At the start of FY 2001, the Victims of Crime Compensation Program underwent a transformation with the passage of Am. Sub. S.B. 153 of the 123rd General Assembly. Pursuant to that legislation, the responsibility for administering the Victims of Crime Compensation Program was transferred from the Court of Claims to the Office of the Attorney General. The transfer 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 reparation awards, this responsibility was transferred to the Office of the Attorney General. The Court still handles the appeals process.

Under current law, if a crime victim applicant does not agree with the final decision made by the Office of the Attorney General, that individual, within 30 days, may file an appeal to have the claim heard before a three-commissioner panel of the Court of Claims of Ohio. A further appeal may be taken to a judge of the Court.

Details on the filing and disposition of victims of crime appeals from calendar years 2004-2010 are summarized in Table 6 below.

Type of Action	2008	2009	2010	2011	2012	2013	2014
Cases Filed	138	99	96	100	59	80	79
Cases Terminated	99	103	89	99	103	65	50
Cases Pending	82	62	58	68	24	25	35
Trials/Hearings Held	136	110	98	75	61	67	48
Administrative Orders	108	126	127	171	84	N/A*	N/A*

*2013 reporting guidelines revised to align with Supreme Court reporting guidelines.

Wrongful Imprisonment Claims

The Court of Claims acts as the state's fiduciary agent for processing claims of wrongful imprisonment. Money to pay any such claims is transferred to the Court on an as-needed basis by the state's Controlling Board.

Pursuant to R.C. 2743.48(E)(2), upon presentation of requisite proof to the Court, a wrongfully imprisoned individual is entitled to receive a sum of money that equals the total of each of the following amounts:

- The amount of any fine or court costs imposed and paid, and the reasonable attorney's fees and other expenses incurred by the wrongfully imprisoned individual in connection with all associated criminal proceedings and appeals, and, if applicable, in connection with obtaining the individual's discharge from confinement in the state correctional institution;
- For each full year that the individual was imprisoned in the state correctional institution for the offense of which the individual was found guilty, \$40,330 or the adjusted amount determined by the Auditor of State (currently \$51,901.58). For partial years, the share is prorated;
- Any loss of wages, salary, or other earned income that directly resulted from the individual's arrest, prosecution, conviction, and wrongful imprisonment; and
- The amount of certain cost debts the Department of Rehabilitation and Correction recovered from the wrongfully imprisoned individual.

Table 7 below shows the total amount of money that the Court has disbursed to make wrongful imprisonment settlements from FYs 2000-2015, year to date.

Table 7. Wrongful Imprisonment Settlement Disbursements, FYs 2000-2015	
Fiscal Year	Total Disbursed
2000	\$75,501
2001	\$841,237
2002	\$0
2003	\$0
2004	\$2,036,990
2005	\$0
2006	\$2,357,877
2007	\$4,260,000
2008	\$0
2009	\$772,316
2010	\$1,088,396
2011	\$3,664,717
2012	\$549,628
2013	\$379,128
2014	\$721,560
2015*	\$113,793

*As of February 15, 2015.

ANALYSIS OF EXECUTIVE PROPOSAL

This section provides a more detailed discussion of the appropriations that finance the Court's handling of civil cases, victims of crime appeals, and wrongful imprisonment settlements. The recommended FY 2016 and FY 2017 appropriations for the Court's two primary funding mechanisms are shown in the table below.

Court of Claims Biennial Budget Recommendations, FY 2016-FY 2017				
Fund		ALI and Name	FY 2016	FY 2017
General Revenue Fund (GRF)				
GRF	015321	Operating Expenses	\$2,568,582	\$2,609,680
Dedicated Purpose Fund (DPF)				
5K20	015603	CLA Victims of Crime	\$427,184	\$434,019
Total Funding: Court of Claims			\$2,995,766	\$3,043,699

Operating Expenses (GRF line item 015321)

The expenses of operating the Court, primarily the Court's Civil Division, are paid with money appropriated to this GRF line item. For this line item, the executive budget recommends funding of \$2,568,582 in FY 2016, an increase of \$67,530, or 2.7%, from FY 2015 estimate expenditures of \$2,501,052. For FY 2017, the executive budget recommends funding of \$2,609,680, an increase of \$41,098, or 1.6%, from the FY 2016 recommendation. Approximately 83% of each year's appropriation will be allocated for payroll-related expenses, with the remainder funding a mix of purchased personal services, supplies and maintenance, and equipment.

Victims of Crime Appeals (DPF line item 015603)

This line item pays for: (1) the compensation of judges of the Court of Claims necessary to hear and determine appeals from the Office of the Attorney General, and (2) the compensation of any personnel of the Court of Claims needed to administer their appellate duties and responsibilities. Its appropriation is supported by cash transferred by the Office of Budget and Management from the Victims of Crime/Reparations Fund (Fund 4020), which is used by the Office of the Attorney General.

The line item's recommended appropriation of \$427,184 in FY 2016 represents an increase of \$11,231, or 2.7%, from FY 2015 estimated expenditures of \$415,953. The FY 2017 recommended appropriation of \$434,019 represents an increase of \$6,835, or 1.6%, from the FY 2016 recommendation. Approximately 89% of each year's appropriation will be allocated for payroll-related expenses, with the remainder funding a mix of purchased personal services, supplies and maintenance, and equipment.

Wrongful Imprisonment Claims (GRF line item 015402)

The Court of Claims acts as the state's fiduciary agent for processing claims of wrongful imprisonment. When a wrongful imprisonment judgment has been rendered in a court of common pleas, the Controlling Board, upon certification by the Court of Claims, transfers the sum necessary to pay that judgment to the Court's GRF line item 015402, Wrongful Imprisonment Compensation. Since the Controlling Board provides the money for such judgments on an as-needed basis, the Court's line item does not receive a direct appropriation through the main operating appropriations act enacted by each General Assembly. However, once the expenditure is made, the amounts are tracked as spending by the Court.

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Court of Claims

General Revenue Fund

GRF 015321 Operating Expenses

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$2,420,052	\$2,450,198	\$2,496,113	\$2,501,052	\$2,568,582	\$2,609,680
	1.2%	1.9%	0.2%	2.7%	1.6%

Source: General Revenue Fund

Legal Basis: Section 251.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. H.B. 694 of the 114th G.A.)

Purpose: This line item funds the operating expenses of the Court of Claims' Civil Division.

GRF 015402 Wrongful Imprisonment Compensation

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$549,628	\$379,128	\$721,560	\$0	\$0	\$0
	-31.0%	90.3%	-100%	N/A	N/A

Source: General Revenue Fund

Legal Basis: As needed line item; 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 from its Emergency Purposes line item (911614) to this line item.

Court of Claims

Dedicated Purpose Fund Group

5K20 015603 CLA Victims of Crime

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$1,053,868	\$659,149	\$290,561	\$415,953	\$427,184	\$434,019
	-37.5%	-55.9%	43.2%	2.7%	1.6%

Source: Dedicated Purpose Fund Group: Transfers from the Victims of Crime Fund (Fund 4020), also known as the Reparations Fund

Legal Basis: ORC 2743.531; Section 251.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. S.B. 153 of the 123rd G.A.)

Purpose: This line item is used to pay for the Court of Claims' appellate role in the Victims of Crime Compensation Program. Specifically, the line item pays for: (1) the compensation of judges of the Court of Claims necessary to hear appeals from decisions made by the Attorney General on claims allowed under the Victims of Crime Act, (2) the compensation of any necessary court personnel, and (3) any other administrative expenses of hearing and determining such appeals.

FY 2016 - FY 2017 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			Estimate	Introduced	FY 2015 to FY 2016	Introduced	FY 2016 to FY 2017	
			FY 2014	FY 2015	FY 2016	% Change	FY 2017	% Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
CLA Court of Claims								
GRF	015321	Operating Expenses	\$ 2,496,113	\$ 2,501,052	\$ 2,568,582	2.70%	\$ 2,609,680	1.60%
GRF	015402	Wrongful Imprisonment Compensation	\$ 721,560	\$ 0	\$ 0	N/A	\$ 0	N/A
General Revenue Fund Total			\$ 3,217,673	\$ 2,501,052	\$ 2,568,582	2.70%	\$ 2,609,680	1.60%
5K20	015603	CLA Victims of Crime	\$ 290,561	\$ 415,953	\$ 427,184	2.70%	\$ 434,019	1.60%
Dedicated Purpose Fund Group Total			\$ 290,561	\$ 415,953	\$ 427,184	2.70%	\$ 434,019	1.60%
Court of Claims Total			\$ 3,508,234	\$ 2,917,005	\$ 2,995,766	2.70%	\$ 3,043,699	1.60%