

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: Judiciary Committee

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BILL: SB 2270

INTRODUCER: Senator Crist

SUBJECT: Budget of Hillsborough County Clerk of Circuit Court

DATE: April 3, 2006

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Maclure	Maclure	JU	<b>Favorable</b>
2.	_____	_____	JA	_____
3.	_____	_____	WM	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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## I. Summary:

This bill increases the maximum authorized annual budget for court-related functions of the Clerk of the Circuit Court of Hillsborough County by \$908,378 retroactively to county fiscal year 2004-2005 and for each subsequent county fiscal year. As a result of this bill's permanent adjustment in the clerk's maximum budget, the clerk will be authorized to apply a larger portion of the fees, service charges, court costs, and fines retained by the clerk toward performance of court-related functions.

## II. Present Situation:

### Clerks of the Circuit Courts

The clerk of the circuit courts is a constitutionally authorized position. Section 16, Article V, of the State Constitution provides for one clerk of the circuit court in each county.

### Clerk of Court Budget Procedures

As part of the implementation of Revision 7 to Article V of the State Constitution, the Legislature prescribed in statute a budget procedure for the court-related functions of the clerks of court which is outside the annual legislative appropriations process. The Legislature premised the procedure on the policy that only certain court-related functions may be funded from the fees, service charges, court costs, and fines retained by the clerks of court.<sup>1</sup>

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<sup>1</sup> Section 28.36, F.S.

The procedure commences with a clerk preparing an annual budget relating solely to the performance of a standard list of court-related functions described in statute. The clerk must submit the budget to the Clerks of Court Operations Corporation. The budget must be balanced, with the total estimated revenues equaling or exceeding the total anticipated expenditures. The corporation, in turn, reviews and certifies proposed budgets submitted by the clerks of court for completeness and compliance with statutory requirements. The corporation, which is a public corporation whose membership includes all clerks of the circuit court, performs these activities under a contract with the Chief Financial Officer.<sup>2</sup>

### **Maximum Authorized Annual Budget**

Under the budget framework, each clerk of court is subject to a maximum authorized annual budget. Among the responsibilities of the corporation is calculating the maximum authorized budget for each clerk and identifying proposed budgets that exceed those maximums.<sup>3</sup> In creating this framework, the Legislature provided for each clerk to have what is in essence a base budget – calculated using estimated expenditures for the 2003-2004 fiscal year, with subsequent years' budget maximums linked to annual changes in the fee and other revenues retained by the clerks.

Thus, for the 2004-2005 fiscal year, the maximum annual budget amount could not exceed 103 percent of the estimated expenditures for the prior year. For the 2005-2006 county fiscal year, the maximum budget amount is the approved budget for 2004-2005 fiscal year adjusted by the projected percentage change in revenue between the years. Each subsequent fiscal year's maximum budget is established by: 1) rebasing the prior year's budget to reflect the actual percentage change in the prior fiscal year revenue and 2) then adjusting the rebased prior fiscal year budget by the projected percentage change in revenue for the proposed budget year.<sup>4</sup>

According to the legislative findings contained in the bill, the use of estimates for prior year expenditures in calculating the maximum authorized annual budget for county fiscal year 2004-2005 produced maximum annual budgets for some clerks – including the Clerk of the Circuit Court of Hillsborough County – which were less than if actual prior-year expenditures had been used.

Staff from the office of the Clerk of the Circuit Court of Hillsborough County also report that employees of the office are part of the county's civil service system. A civil service study released in 2004 resulted in changes in pay classifications and job titles for multiple employees in the office, which were implemented October 1, 2005. Similar changes are anticipated for additional employees, based on a re-evaluation of the study data and results which, among other things, identified inequities among employees performing similar kinds of work. These personnel cost changes were not reflected in the base budget for the clerk's office.

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<sup>2</sup> Section 28.35, F.S.

<sup>3</sup> Section 28.35(2)(f), F.S.

<sup>4</sup> Section 28.36(5)(a)-(c), F.S.

### **Deposit of Excess Revenues in State Trust Fund**

On an annual basis, when the revenue from fees, service charges, court costs, and fines retained by a clerk of court exceeds the amount needed for the clerk's approved budget, the clerk must remit the cumulative excess revenue to the Department of Revenue for deposit in the General Revenue Fund.<sup>5</sup>

### **III. Effect of Proposed Changes:**

This bill provides for a permanent adjustment of \$908,378 in the maximum authorized annual budget for court-related functions of the Clerk of the Circuit Court of Hillsborough County dating back to the 2004-2005 county fiscal year and continuing forward for each county fiscal year thereafter. The bill is premised upon two legislative findings: 1) that use of estimated expenditures in calculating the original base budget for the Hillsborough County Circuit Clerk significantly affected this clerk in the 2004-2005 county fiscal year and in subsequent fiscal years; and 2) that the use of prior year budgets in calculating future year budgets prevents clerks from taking into consideration increases in fixed costs resulting from civil service studies of positions and salaries. The bill authorizes a budget adjustment of \$269,378 for the first finding and \$639,000 for the second finding, for a total of \$908,378.

The bill takes effect upon becoming a law.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

None.

### **V. Economic Impact and Fiscal Note:**

#### **A. Tax/Fee Issues:**

None.

#### **B. Private Sector Impact:**

None.

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<sup>5</sup> Section 28.37(4), F.S. On a monthly basis, one third of the revenues collected by the clerk are remitted to the Department of Revenue for Deposit in the Clerks of Court Trust Fund. These latter funds are used to resolve deficits experienced by clerks. Moneys not needed to resolve such deficits are transferred to the General Revenue Fund. Section 28.37(2), F.S.

**C. Government Sector Impact:**

The Clerk of the Circuit Court of Hillsborough County will have a larger maximum authorized annual budget for court-related functions as a result of this bill. The court-related functions of the clerk of court are funded through fines, fees, service charges, and costs retained by the clerks. Revenues in excess of the amount needed to fund a clerk's maximum authorized annual budget are remitted to the state. Because this bill increases the maximum authorized annual budget of the Clerk of the Circuit Court of Hillsborough County, a larger portion of revenue retained by the clerk will be applied toward the clerk's budget, with a corresponding reduction in the portion of excess revenue remitted to the state.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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## **VIII. Summary of Amendments:**

None.

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