

- Relocation to Ohio Courts Building scheduled for Spring 2004
- "No growth" GRF budget

## Court of Claims

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### ROLE

The Court of Claims, established in 1975, is the only statutory court with statewide jurisdiction. The court performs two notable roles. First, the Court 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 the Court's creation, there was no forum for such civil action. The Court's Civil Division handles these cases.

Second, the Court has a role in the state's Victims of Crime Compensation Program. From 1976 until July 1, 2000, the Court's Victims of Crime Division had administrative control of the program and handled all claims for reparations awards. The Office of the Attorney General's role was to investigate each claim and file a finding of fact and recommendation with the Court. Pursuant to Am. Sub. S.B. 153 of the 123rd General Assembly, effective July 1 2000, primary responsibility for administration of the program was shifted from the Court to the Office of the Attorney General, leaving as the Court's only remaining responsibility the hearing of appeals of reparations awards.

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2004	2005	2004	2005	
43**	\$3.9 million	\$4.1 million	\$2.5 million	\$2.4 million	Am. Sub. H.B. 95

\*Employee head count obtained from the Department of Administrative Services (DAS) payroll reports as of June 28, 2003.

\*\*This number includes what DAS defines as full-time permanent, part-time permanent, and other employees. It is higher than what the would Court consider its level of staffing, as measured in terms of full-time equivalents (FTEs), because it includes certain personnel, e.g., part-time assigned judges and panel commissioners, which the Court generally does not include in their own employee counts. If one were to adjust for the Court's perspective, its level of staffing would be approximately 29 FTEs.

### OVERVIEW

While the Court still receives some non-GRF Victims of Crime funding because of its involvement as the appellate arm of that program, that level of financial support has been significantly reduced. In its last full year of administering the program (FY 2000), the Court expended a total of \$18.2 million in Victims of Crime funding. Since the start of FY 2002, the amount of Victims of Crime funding appropriated for the Court's use has totaled less than \$2.0 million annually. Because of the loss of the revenue associated with the program's transfer, GRF funding now typically accounts for around two-thirds of the Court's total annual budget. Prior to the alteration of the Court's role in the program, GRF funding accounted for only about one-tenth of its annual budget.

The Court's FY 2004 all funds appropriation totals \$3.9 million, roughly \$234,000, or 6.2%, more than the Court's total actual FY 2003 expenditures of \$3.7 million. The Court's FY 2005 all funds appropriation totals \$4.1 million, around \$76,000, or 1.9%, more than its total FY 2004 all funds appropriation. These increases in the all funds appropriation in each of FYs 2004 and 2005 are almost entirely a function of additional non-GRF funding for the Court's appellate role in the Victims of Crime Compensation Program.

Of the Court's total FY 2004-2005 biennial operating budget, GRF funding accounts for \$2.5 million, or 61.5%, in FY 2004 and \$2.5 million, or 61.0%, in FY 2005. Those enacted levels of annual GRF funding are less than what the Court requested for the purpose of maintaining its FY 2003 level of services, and covering the costs associated with the relocation to the Ohio Courts Building, by \$803,597, or 24.7%, in FY 2004 and by \$897,404, or 26.6%, in FY 2005. In response to these lower than requested levels of annual GRF funding, the Court will continue to closely monitor payroll, maintenance, and equipment expenses and constrain or reduce such expenses as necessary. The resulting effect on the Court's ability to manage civil lawsuits is probably best seen as potentially causing increased backlogs and reduced administrative efficiency. It appears that the Court also anticipates realizing certain savings in relation to its relocation to the Ohio Courts Building. First, the Court will no longer have to spend around \$280,000 annually on office space rent. Second, new furniture and equipment, estimated to cost in excess of \$500,000, will not be purchased.

## **BUDGET ISSUES**

### ***OHIO COURTS BUILDING***

Between February and May of 2004, the Court expects to be relocating all office operations to the newly restored Ohio Courts Building, formerly known as the Ohio Departments Building. The Supreme Court of Ohio will operate and maintain the building. As of this writing, the Court anticipates spending \$26,680 to physically move its operation, and appears to have no plans to purchase new furniture and equipment. That said, the Court had previously estimated its total costs related to the move at \$563,810, an amount that included \$523,810 for the purchase of copiers, computers, servers, tables, desk, chairs, modular work stations, high-density shelving.

### ***OFFICE SPACE RENTAL EXPENSES (VETOED PROVISION)***

Pursuant to a temporary law provision in the FY 2004-2005 biennial operating budget as enacted, \$302,000 of the \$2.5 million in GRF funding appropriated to the Court's line item 015-312, Operating Expenses, in FY 2005 was earmarked exclusively for the purpose of paying FY 2005 office space rental expenses. The Governor vetoed the provision, thus removing the restriction that would otherwise have been in place on the Court's use of that portion of its FY 2005 GRF appropriation.

The rationale behind the provision appeared to reflect some uncertainty, subsequent to its scheduled relocation to the restored Ohio Courts Building on Front Street in March 2004, as to how much money, if any, the Court would need to allocate for FY 2005 office space rental expenses. Currently, the Court rents private office space at 65 East State Street in Columbus. The Supreme Court of Ohio will be managing the Ohio Courts Building, and as of this writing, does not appear to intend to charge the Court of Claims for any building operating expenses.

### ***SPLIT FUNDING OF SHARED COSTS***

As a result of the budget and staffing reductions brought about by the enactment of Am. Sub. S.B. 153 of the 123rd General Assembly, 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 divisions. Shared costs include expenses such as 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% and the Victims of Crime Division would pay 33%. As a result, since the start of FY 2002, the Court's GRF budget has had to assume more of the shared funding for operating expenses.

### ***STAFFING LEVELS***

Prior to the transfer of primary responsibility for the Victims of Crime Compensation Program, the Court's budget was able to support a staffing level of about 60 full-time equivalents (FTEs). As a result of the program's transfer and the related drop in funding, the Court's budget can only support roughly half that number of FTEs, or around 30. It should be noted that these staffing numbers do not reflect individuals who serve as part-time assigned judges and panel commissioners, although those personnel are all paid from the Court's budget.

### ***ADMINISTRATIVE RESOLUTION OF SMALL CLAIMS OF INMATES***

Under preexisting law, an inmate of a state correctional institution who wanted to pursue a claim against the state for property damage was required to bring a civil action in the Court of Claims, regardless of the size of the claim. The FY 2004-2005 biennial operating budget as enacted amends that preexisting law (section 2743.02 of the Revised Code) to require that an inmate who has a claim of \$300 or less for the loss of or damage to property first attempt to settle the claim through an administrative procedure established by rule by the Director of Rehabilitation and Correction. This provision creates an administrative duty for the Department, while potentially relieving the Court of Claims of inmate claims that it might otherwise have had to resolve.

The Court has previously estimated that, as a result of amending the provision, it might realize as much as a 7% annual decrease in the number of administrative case filings (meaning those cases with claims under \$2,500). Such an outcome would produce at most a minimal savings in the amount of funds that might otherwise have been disbursed annually from the Court's GRF line item 015-321, Operating Expenses. A decrease in the number of administrative case filings would also mean that the \$25 filing fee that might otherwise have been collected and deposited to the credit of the GRF could be lost. The magnitude of that revenue loss annually, however, appears unlikely to be more than negligible, as many inmates are likely to be indigent and the related filing fee would probably have been waived in any event. 

**FY 2004 - 2005 Final Appropriation Amounts**

**All Fund Group**

<b>Line Item Detail by Agency</b>			<b>FY 2001:</b>	<b>FY 2002:</b>	<b>FY 2003:</b>	<b>FY 2004 Appropriations:</b>	<b>% Change 2003 to 2004:</b>	<b>FY 2005 Appropriations:</b>	<b>% Change 2004 to 2005:</b>
<b>Report For: Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>						
<b>CLA Court of Claims</b>									
GRF	015-321	Operating Expenses	\$ 2,131,295	\$ 2,527,521	\$2,630,088	\$ 2,452,000	-6.77%	\$ 2,477,000	1.02%
GRF	015-402	Wrongful Imprisonment Compensation	\$ 841,237	---	\$0	\$ 0	N/A	\$ 0	N/A
<b>General Revenue Fund Total</b>			<b>\$ 2,972,532</b>	<b>\$ 2,527,521</b>	<b>\$ 2,630,088</b>	<b>\$ 2,452,000</b>	<b>-6.77%</b>	<b>\$ 2,477,000</b>	<b>1.02%</b>
5K2	015-603	CLA Victims of Crime	\$ 10,423,254	\$ 1,840,596	\$1,119,669	\$ 1,532,043	36.83%	\$ 1,582,684	3.31%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 10,423,254</b>	<b>\$ 1,840,596</b>	<b>\$ 1,119,669</b>	<b>\$ 1,532,043</b>	<b>36.83%</b>	<b>\$ 1,582,684</b>	<b>3.31%</b>
<b>Court of Claims Total</b>			<b>\$ 13,395,786</b>	<b>\$ 4,368,117</b>	<b>\$ 3,749,757</b>	<b>\$ 3,984,043</b>	<b>6.25%</b>	<b>\$ 4,059,684</b>	<b>1.90%</b>