

Budget Testimony

before the

**Ohio Senate Finance Committee
Higher Education Subcommittee**

Tuesday, May 9, 2017

Chairman Gardner, Vice Chair Williams, and Members of the Subcommittee:

I am Mark Reed, Clerk of the Ohio Court of Claims. I thank you for providing me this opportunity to testify in support of this proposed budget for the Court of Claims. Also here with me today is Jennie Parks, Director of Operations for the Court of Claims and the Court's Chief Fiscal Officer.

The Court of Claims is part of the judicial branch of government and the only statutory trial 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' principle 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, and
4. Beginning in September 2016, serving as an alternative forum for the resolution of disputes regarding access to public records.

The Executive recommended budget for our Court's GRF Operations line item 015321 included a 5.1 percent increase (or \$134,979) in 2018, and a 8.3 percent increase (or \$228,277) in 2019. I am here today to ask this Committee to restore some of the GRF appropriation to our Operations line item 015321 that was cut by the House.

Specifically, the Court requests the Committee to reinstate 3.7 percent (or \$94,908) to our GRF 2018 Operations line item, for a total appropriation of \$2,631,327, and to reinstate 7.4 percent (or \$186,807) to our GRF 2019 Operations line item, for a total appropriation of \$2,723,226. I would also ask this Committee to concur with the recommendations of the House for our other line items.

The budget breakdown is as follows:

- 83.3% Payroll (includes staff, magistrates & judges)
- 6.4 % Purchased Services (court reporters, assigned referees, & court case management system support)
- 8.9 % Supplies & Maintenance
- 1.4 % Equipment (namely, courtroom audio/video technology systems)

The Court of Claims has, over the past several budget cycles, demonstrated a commitment to reducing expenditures and taking very seriously the need to be a good steward of the taxpayer's funds entrusted to us. By way of example in 2011 the Court had a staffing level of 35.3 FTE's. Today that staffing level stands at 25.9 FTE's, a reduction in staffing of some 27 percent. In 2011 the Court's General Revenue Fund operating expenses were 2.9 million, in 2017 those expenses were 2.5 million, a reduction in dollars of 14% from 2011. In fact, by working diligently to reduce costs, instead of complacently spending money at the 2011 level, the Court has, over the past six years saved the General Revenue Fund almost 2.5 million dollars. These significant savings are set out in the chart below:

<u>YEAR</u>	<u>OPERATING EXPENSES</u>	<u>SAVINGS FROM 2011</u>
FY 2011	2,923,375	N/A
FY 2012	2,573,508	349,867
FY 2013	2,501,052	422,323
FY 2014	2,496,113	427,262
FY 2015	2,243,285	680,090
FY 2016	2,696,292	227,083
FY 2017	2,536,419	<u>386,956</u>
Total cost savings from 2011		\$2,493,581

We request an increase/restoration of appropriation from the Committee based on several factors.

1. The Court must account for the 5% statutorily mandated judicial salary increase in years 2018 and 2019. While most cases in the court of claims are heard by judicial officers other than judges, cases that must be heard only by judges have increased by 27.6 percent this year. It's worth noting here that this budget bill also includes proposed changes to our Court's wrongful imprisonment statute that will – perhaps significantly - increase our wrongful imprisonment claims. These too are only heard by a judge.
2. New public record legislation has highlighted a need for our Court to conduct better outreach about not just this new law, but our jurisdiction in general. To address this, the Court is in the process of creating new training curriculum and programs for public officials and citizens.
3. Finally, and because payroll makes up 85 percent of our budget, employee benefits and other program charge backs will increase by 12.16 percent in FY2018 and 24.96 percent in FY 2019.

These issues are the principal drivers behind the court seeking a modest increase in operating expenses in the next biennium.

This 2019 requested amount is still \$209,149 or 7 percent less than the Court's operating expense line item in FY 2011. We believe our record in reducing costs and being good stewards of the public trust over the past decade lends great credence to our request for this small increase.

I thank you for the opportunity to appear before this Committee and will be happy to answer any questions you may have.