

- Significant funding and related staff reductions experienced during last two fiscal years

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 serves two major purposes. First, it 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 its creation, there was no forum for such civil action. The Civil Division of the court handles these cases.

The second major purpose of the court was administration of the Victims of Crime Compensation Program. From 1976 until July 1, 2000, the court's Victims of Crime Division handled all claims for reparations awards. The Office of the Attorney General then investigated each claim and filed a finding of fact and recommendation with the court. At the start of FY 2001, by the passage of Am. Sub. S.B. 153 of the 123rd General Assembly, the primary responsibility for the administration of the Victims of Crime Compensation Program was shifted from the court to the Office of 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)
	2002	2003	2002	2003	
30	\$4.8 million	\$4.6 million	\$2.9 million	\$3.0 million	Am. Sub. H.B. 94

OVERVIEW

The total amount appropriated to the Court of Claims in each of FYs 2002 and 2003 reflects further funding reductions to a budget that had already been reduced by the prior transfer of the Victims of Crime Compensation Program to the Office of the Attorney General on July 1, 2000. While the court still receives some Victims of Crime funding because of its involvement as the appellate arm of the program, the level of financial support has been significantly reduced. (In its last full year of administering the program, the court expended \$18.2 million. For FYs 2002 and 2003, its Victims of Crime appropriations totaled less than \$2.0 million annually.) Because of the loss of the revenue associated with the program's transfer, GRF funding now accounts for nearly 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.

BUDGET ISSUES

CIVIL DIVISION

As previously mentioned, the court has exclusive jurisdiction in all civil claims filed against the state and its agencies. Along with three appointed judges, the court also uses referees to handle civil actions against the state of \$2,500 or less. A single referee or commissioner may administratively hear a claim and render a judgment. Any case involving claims greater than \$2,500 must be heard by a judge. A majority of the civil actions are handled administratively. The civil side of the court's operation is funded exclusively by GRF line item 015-321, Operating Expenses. The affected state agency and not the court pays judgments against the state; the court's GRF funds go only to cover its operating expenses (personal services, maintenance, and equipment). The court's level of GRF funding provided for the FY 2002-2003 biennium should be sufficient to allow its Civil Division to continue delivering the level of services that were provided in FY 2001. The court has reported no plans to expand its programs.

Actual FY 2001 expenditures from the court's GRF Operating Expenses line item totaled \$2.1 million. When compared to its total actual FY 2001 expenditures, the line item's appropriated amounts in FYs 2002 and 2003 of \$2.9 million and \$3.0 million, respectively, represent increases of 36-plus percent. These increases in GRF funding replace Victims of Crime Fund moneys lost when control of the Victims of Crime Compensation Program was transferred to the Office of the Attorney General.

VICTIMS OF CRIME

Historically, the court's other major area of activity had been its responsibility to administer the Victims of Crime Compensation Program. Under the program, individuals suffering personal injury as the result of criminal conduct are 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 also could 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.

To be eligible for compensation, a victim must report the crime to a law enforcement officer within 72 hours of its occurrence and must file a claim of compensation within two years after the date of the crime. The Office of the Attorney General investigates the crime and loss claim, and, at one time, returned a finding of fact and recommendation to the court. Prior to July 1, 2000, when Am. Sub. S.B. 153 went into effect, the following steps were followed by the court. First, a single court commissioner rendered a written opinion. At that point, the claimant or the Office of the Attorney General could appeal the decision of the commissioner, whereupon the case then proceeded to a panel of three commissioners for a full hearing. Finally, the appeal of the decision could go one step further to a judge of the Court of Claims. No further appeal could occur after the judge's determination.

As mentioned in the Overview, the responsibility for administering the Victims of Crime Compensation Program was transferred from the Court of Claims to the Office of the Attorney General. This has 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 these reparations awards, now this responsibility has been transferred to the Office of the Attorney General. The court still handles the appeals process. The court has indicated that only about one percent of these claims are appealed, and thus expects that its workload will be significantly lighter.

Prior to the program's transfer, the operation of the court's Victims of Crime Division was funded entirely by its State Special Revenue (SSR) Fund line item 015-601, Victims of Crime. On July 1, 2000, a new SSR line item was created to finance the activities of the court's Victims of Crime Division: 015-603, CLA Victims of Crime. Because of the reduction in the court's duties and responsibilities relative to the Victims of Crime Compensation Program, the FY 2002 and 2003 appropriations are reduced.

The reduced level of SSR funding provided by the FY 2002-2003 biennial budget will allow the court to continue as the appellate authority for the Victims of Crime Compensation Program. The appropriated amounts should be sufficient to pay for the court's operating expenses, including the payroll costs associated with the five remaining full-time staff necessary to support its side of the program. Of note though is the drop in the CLA Victims of Crime line item's appropriation (line item 015-603) between FYs 2002 and 2003. This has to do with the reduction of the court's role in the program. It is anticipated that, by FY 2003, the court will no longer be paying severance or unemployment benefits for individuals who were laid off when the program was moved to the Office of the Attorney General.

Fiscal year 2002 will mark the first full year the court will only be involved with the Victims of Crime Compensation Program through its appellate function. Although the program's control was switched over to the Office of the Attorney General at the beginning of FY 2001, the court continued its work on claims that were filed prior to July 1, 2000. Because of these transitional issues, it is unclear whether line item 015-603's FY 2002 and FY 2003 appropriation authority will be sufficient to cover all of the court's related program costs. Presumably, if the line item's appropriation authority proves to be problematic in the future, the court, in consultation with the Office of the Attorney General, would request approval of an increase in its spending levels from the Controlling Board or the General Assembly.

SHARED COSTS

After the changes caused by the transfer of the Victims of Crime Compensation Program, 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 items 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 between the Civil and Victims of Crime divisions. 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 percent and the Victims of Crime Division would pay 33 percent. This shift in shared costs is largely responsible for the increase in funding provided to the court's GRF line item 015-321, Operating Expenses, for the FY 2002-2003 biennium.

STAFFING

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 will likely only support 30 FTEs in the FY 2002-2003 biennium. (It should be noted that these staffing numbers do not reflect individuals who serve as judges and commissioners, although they are all paid from the court's budget.) As of this writing, the court does not intend to reduce its labor force any further, although some vacant staff positions may not be filled, quickly or at all, until it gains more experience with the effects of the loss of control over the Victims of Crime funding on ongoing court operations. In a related personnel issue, the court did not grant its staff the general wage increase that many state employees received effective July 1, 2001, and it is uncertain when, if at all, the court will grant such a pay raise.

WRONGFUL IMPRISONMENT

The court's budget also includes a GRF line item (015-402, Wrongful Imprisonment Compensation) for which funds are never appropriated in the biennial budget. This line item's funds are transferred from the Controlling Board's budget as needed and are then used to pay those who have been judged wrongfully imprisoned in the State of Ohio. When a wrongful imprisonment judgment has been journalized in a court of common pleas, the Controlling Board, upon certification by the Court of Claims, transfers the sum necessary for disbursement to this line item. 

FY 2002 - 2003 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 1999:	FY 2000:	FY 2001:	FY 2002 Appropriations:	% Change 2001 to 2002:	FY 2003 Appropriations:	% Change 2002 to 2003:
Report For: Main Operating Appropriations Bill			Version: Enacted						
CLA Court of Claims									
GRF	015-321	Operating Expenses	\$ 2,154,439	\$ 2,458,920	\$2,131,295	\$ 2,908,749	36.48%	\$ 2,990,194	2.80%
GRF	015-402	Wrongful Imprisonment Compensation	\$ 0	\$ 75,501	\$841,237	\$ 0	-100.00%	\$ 0	N/A
General Revenue Fund Total			\$ 2,154,439	\$ 2,534,421	\$ 2,972,532	\$ 2,908,749	-2.15%	\$ 2,990,194	2.80%
402	015-601	Victims of Crime	\$ 21,498,554	\$ 18,235,635		\$ 0	N/A	\$ 0	N/A
5K2	015-603	CLA Victims of Crime	----	----	\$10,423,254	\$ 1,891,183	-81.86%	\$ 1,602,716	-15.25%
State Special Revenue Fund Group Total			\$ 21,498,554	\$ 18,235,635	\$ 10,423,254	\$ 1,891,183	-81.86%	\$ 1,602,716	-15.25%
Court of Claims Total			\$ 23,652,993	\$ 20,770,056	\$ 13,395,786	\$ 4,799,932	-64.17%	\$ 4,592,910	-4.31%