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.)

Prepared By: Judiciary Committee

BILL: SB 2024

INTRODUCER: Senator Wise

SUBJECT: Court Functions/County Funding

DATE: April 3, 2006   REVISED: 04/05/06

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Chinn	Maclure	JU	**Fav/1 amendment**
2.			CA	
3.			JA	
4.				
5.				
6.				

Please see last section for Summary of Amendments

☐ Technical amendments were recommended

☐ Amendments were recommended

☒ Significant amendments were recommended

I.   Summary:

The bill amends the statute relating to county funding obligations for the state court system. The new language revises the definition for the term "base year," and provides that facilities would no longer be part of the calculation used to demonstrate county compliance with funding obligations. Further, in the event that a county expends less than the required amount for these obligations because of savings realized through technology and equipment, reduced expenditures must be certified by the chief judge. By allowing counties to certify amounts spent that would be lower than the previous year, counties may avoid the required increase in spending to which they are subject under s. 29.008, F.S.

This bill substantially amends sections 29.008 and 29.0085, Florida Statutes.

II.   Present Situation:

Section 14, Article V, of the Florida Constitution and ss. 29.004 and 29.008, F.S., specify the state and county responsibilities for funding the state court system. The Supreme Court and the District Courts of Appeal are fully funded by the state. The trial courts, the circuit and county courts, are jointly funded by the state and counties. Counties are required to fund facilities, security, and communications, including information technology.

In order to ensure that counties satisfy their funding obligations, the Legislature passed s. 28, ch. 2004-265, L.O.F., to provide that the Department of Revenue (DOR) must hold back certain revenue sharing receipts distributed pursuant to part II of ch. 218, F.S., from any county not in compliance with the funding obligations of s. 29.008, F.S. To be in compliance, counties must expend funds on their responsibilities in an amount that is 1.5 percent over that amount spent in the prior year.[1] Beginning in FY 2005-06, DOR must withhold revenue sharing if the amount budgeted in the given year is less than the base year (currently county FY 2002-2003), plus 1.5 percent growth per year. Further, beginning in FY 2005-06, additional amounts are withheld if the amount actually spent in the previous fiscal year is less than the amount budgeted for the same items. The amount withheld in a given year is the difference between the amount actually budgeted and the amount calculated by applying the 1.5 percent annual growth rate for each year.

A preliminary analysis by the Department of Revenue found that 40 of the 67 counties were not in compliance with the requirements to increase their budgets. The amount of revenue sharing that would be held back ranged from $1.66 for Calhoun County to $12.6 million for Nassau County. One of the more common areas that counties did not annually increase their expenditures was in facilities. In the case of Nassau County, they spent $12.3 million during the base year (county fiscal year 2002-2003) on a large courthouse project. Two years later, Nassau County spent $62,911 on facilities instead of $12.6 million required by law.

III.   **Effect of Proposed Changes:**

The bill amends s. 29.008(4), F.S., to revise the definition for the term "base year" for purposes of calculating county court-funding obligations. The base year would now be the average for expenditures over the previous five fiscal years for maintenance, utilities, security, communications services, existing radio systems, and existing multiagency criminal justice information systems.[2] Under the bill, facilities would no longer be considered as part of the calculation that determines whether counties are complying with their funding requirements.

The bill removes references to the Department of Revenue withholding amounts from counties for failure to comply with their funding requirements. A county would now demonstrate its compliance with its funding obligations by showing a 1.5 percent increase in its spending on the same requirements above, and the county would not include its spending on facilities as part of its compliance. Further, if there is a decrease in spending due to savings realized through the use of technology, the chief judge of the county must certify the reduction so that it would not reflect that the county is not meeting its spending requirements.

Section 29.0085(1), F.S., is revised to conform to changes proposed in the bill.

The bill provides an effective date of July 1, 2006.

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[1] Section 29.008(4)(a), F.S.
[2] The current base year for funding purposes is 2002-2003, under s. 29.008(4), F.S.

IV.   Constitutional Issues:

    A.   Municipality/County Mandates Restrictions:

        None.

    B.   Public Records/Open Meetings Issues:

        None.

    C.   Trust Funds Restrictions:

        None.

    D.   Other Constitutional Issues:

        None.

V.   Economic Impact and Fiscal Note:

    A.   Tax/Fee Issues:

        None.

    B.   Private Sector Impact:

        None.

    C.   Government Sector Impact:

        County revenue sharing will not be automatically withheld for those counties that do not spend 1.5 percent more each year for the county requirements for funding court-related functions. The Legislature will instead consider these cases each year.

VI.   Technical Deficiencies:

    None.

VII.   Related Issues:

    None.

VIII. Summary of Amendments:

Barcode 072272 by Judiciary:
Requires counties that funded guardian ad litem programs before the implementation of the Article V funding revisions to maintain the same level of funding of those programs. The fiscal impact of this amendment is not known as of the time of this analysis. (WITH TITLE AMENDMENT)

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