

ADAIR COUNTY COMMISSION MINUTES WEDNESDAY, OCTOBER 15, 2014

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IN REF. ORDER NO 11

**BEFORE THE JUDICIAL FINANCE COMMISSION
STATE OF MISSOURI**

IN RE: Circuit Court Budget of the 2nd Judicial Circuit of the State of Missouri)
)
)
 ADAIR COUNTY MISSOURI,)
 LEWIS COUNTY MISSOURI)
)
 Petitioners,)
 vs.) Case No. 14-0074
) and
) Case No. 14-0075
 CIRCUIT COURT OF THE 2ND JUDICIAL CIRCUIT OF MISSOURI,)
)
 Respondents,)

**STATEMENT OF THE CASE, FINDINGS OF FACT,
CONCLUSIONS OF LAW AND DECISION**

This matter comes before the Judicial Finance Commission ("Commission") upon a petition for review filed on February 12, 2014, by the County Commissions of Adair and Lewis Counties¹ against the Circuit Court of the 2nd Judicial Circuit of Missouri. The parties dispute the reasonableness of 2014 budget requests by the circuit for operation

¹Knox County, the third county in the 2nd Judicial Circuit, did not join in this petition and is not a party. The other counties and the circuit court agreed to consolidation of the petitions for mediation, hearing, and decision.

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of the drug court, the juvenile justice center, court administration, the circuit clerk's budget, and the budget for the circuit's court reporter.

On March 28, 2014, the Commission held an extended settlement conference pursuant to Commission Rule 11.03 and section, 50.640, RSMo 2000. The parties did not settle the dispute, but continued efforts at settlement through their counsel. After those efforts failed, the Commission held a hearing in Jefferson City on July 17, 2014. At the hearing, the parties adduced evidence and submitted the matter on the record and memoranda of the parties. After the hearing, the Commission requested the parties return to mediation in an attempt to resolve the dispute. The Commission concluded that the dispute had been exacerbated by poor relationships and lack of trust between the parties, but that it would be best for all concerned to resolve this protracted and expensive litigation through settlement. The second settlement conference, which occurred on July 21, 2014, appeared to be successful, but further disputes and disagreements about the wording of the settlement agreement led to the ultimate failure of that process. This effort failed on approximately August, 20, 2014. The parties finally submitted their post-hearing filings with the Commission on September 10, 2014.

Review by the Commission is governed by section 50.640, RSMo 2000, which provides:

If a petition for review is filed, the circuit court shall have the burden of convincing the judicial finance commission that the amount estimated by it and included in the budget is reasonable. In determining if the circuit court estimate is reasonable, the judicial finance commission shall consider the

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expenditures necessary to support the circuit court in relation to the expenditures necessary for the administration of all other county functions, the actual or estimated operating deficit or surplus from prior years, all interest and debt redemption charges, all capital projects expenditures, and the total estimated available revenues from all sources available for financing proposed expenditures. In determining the reasonableness of any budget estimate involving compensation, the judicial finance commission shall also consider compensation for county employees with similar duties, length of service and educational qualifications.

As can be seen, the function of the Commission is to consider the reasonableness of the budget request. Many of the matters asserted by the counties are beyond the scope of the Commission. For example, the petitioners have asked that the Commission determine that the counties have no responsibility for the funding of drug courts and that certain employees are state employees rather than county employees. These are matters of law rather than questions about the reasonableness of the budget request. In each case, the counties argue the State is legally obligated to pay for these expenses. As to the funding of drug courts, the counties' assertion that they can choose which judicial functions are their responsibility implicates the separation-of-powers doctrine. In any event, the counties have never sought to join the State of Missouri as a party to this proceeding despite having been alerted that questions about the State's responsibility for budget obligations could never be decided without the State being joined in the proceedings, assuming such joinder is permitted. The commission declines to consider matters outside its jurisdiction or that implicate the rights of parties that have not been joined to this proceeding.

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Section 477.600, RSMo 2000, which sets out this Commission's authority, provides that the Commission shall examine the budget request of the circuit court upon the petition of the county governing body and issue a written opinion stating the conclusions of the Commission as to the reasonableness of the circuit budget request. The total proposed budget of the circuit court was \$1,435,122.92. The circuit requested a total of \$337,002.00 for 2014 from all three counties in the circuit, apportioned among the counties as follows: from Adair, \$211,586.95; from Knox \$50,358.90; and from Lewis \$75,056.15. The parties all agree that the maintenance-of-effort amount to be paid for support of the juvenile court is \$134,200.00. That amount has already been paid and is not in dispute.

If the individual components of the circuit's budget request are considered in isolation, the Commission would generally conclude that the circuit's budget requests are reasonable. The circuit, for example, budgeted reasonable amounts for drug court, travel, office expenses, and the like. The sole individual challenge that the Commission finds unreasonable, even when considered in isolation, is the circuit's attempt to hold a county liable for fringe benefits of a state employee.

However, the Commission does not consider the individual budget requests in isolation. To the contrary, section 50.640, RSMo 2000, specifically states that the Commission must have a broader view - it is to consider "the total estimated available revenues from all sources available for financing proposed expenditures." The circuit

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ATTEST: *Sandra Collop*
County Clerk

 Stanley P. Baker
Presiding Commissioner