BEFORE THE JUDICIAL FINANCE COMMISSION
STATE OF MISSOURI

IN RE: Circuit Court Budget of the 39th Judicial Circuit of the State of Missouri	)	
STONE COUNTY COMMISSION, Tony DeLong, Presiding Commissioner Denny McCrorey, Commissioner Alden Hembree, Commissioner,	)	
Petitioner,	)	
vs.	)	Case No. 99-0054
THIRTY-NINTH JUDICIAL CIRCUIT, J. Edward Sweeney, Presiding Judge William T. Kirsch, Associate Circuit Judge,	)	
Respondent.	)	

FINDINGS OF FACT, CONCLUSIONS OF LAW AND DECISION

This matter comes before the Judicial Finance Commission upon a Petition filed on February 2, 1999, by Stone County, Petitioner herein, against the Circuit Court for the 39th Judicial Circuit, Respondent. Petitioner seeks a determination whether it is required to provide contingent funding in the 1999 budget in the event that the State of Missouri fails to appropriate juvenile court salaries pursuant to Section 211.393, RSMo Supp. 1998; whether the appropriate annual maintenance of effort funding required by Section 211.393.6, should be pro-rated between July 1 and December 31, 1999, and whether the Petitioner is required to budget any funds for juvenile court operations other than the maintenance of effort funding.

This situation arose after enactment of House Bill 971 by the Second Regular Session of the 89th General Assembly. This case and three other cases pending before the Judicial Finance Commission (filed by Lewis, Nodaway and Warren counties) involve interpretation and application of the "maintenance of effort" funding provisions contained in Section 211.393.6, RSMo Supp. 1998, as was enacted by 1998 House Bill 971. Generally, the relevant provisions of this legislation provide that, subsequent to July 1, 1999, the state of Missouri will assume the expense of juvenile court personnel, and the county shall continue to provide "maintenance of

effort" funding for juvenile court operations, provided that since the state was assuming the personnel costs, these moneys will be used for costs associated with juvenile court operations. The county budget relating to the juvenile court will contain a separate section detailing the expenditures required by this legislation. The county may review the proposed juvenile court budget as part of its budgetary process, and can appeal the reasonableness of the proposed expenditures to the Judicial Finance Commission pursuant to existing laws relating to Commission jurisdiction and proceedings.

Section 211.393.6, RSMo Supp. 1998, provides as follows:

> "6. Each county in every circuit in which a juvenile court employee becomes a state employee shall maintain each year in the local juvenile court budget an amount, defined as "maintenance of effort funding", not less than the total amount budgeted for all employees of the juvenile court including any juvenile officer, deputy juvenile officer, or other juvenile court employees in calendar year 1997, minus the state reimbursements as described in this section received for the calendar year 1997 personnel costs for the salaries of all such juvenile court employees who become state employees. The juvenile court shall provide a proposed budget to the county commission each year. The budget shall contain a separate section specifying all funds to be expended in the juvenile court. Such funding may be used for contractual costs for detention services, guardians ad litem, transportation costs for those circuits without detention facilities to transport children to and from detention and hearings, short-term residential services, indebtedness for juvenile facilities, expanding existing detention facilities or services, continuation of services funded by public grants or subsidy, and enhancing the court's ability to provide prevention, probation, counseling and treatment services. The county commission may review such budget and may appeal the proposed budget to the judicial finance commission pursuant to section 50.640, RSMo."

Pursuant to law and the rules of this Commission, the facts and legal issues submitted for decision were stipulated by the parties to this matter. The parties agreed that the 1999 juvenile court budget included provisions for juvenile court personnel salaries for all of 1999, rather than for that portion of the year ending on June 30, 1999, to allow for the contingency that the General Assembly might not appropriate state funds to pay the salaries for such employees. The parties agreed that the appropriate annual maintenance of effort amount for Petitioner is $15,044. The parties also agreed that the Respondent included within the judiciary's budget a line item denominated "maintenance of effort funding" in the amount of $15,044, over and above the itemized proposed expenditures contained in the 1999 juvenile court budget for salaries, office expenditures, equipment expenditures, mileage and training expenses, supplies, and other

expenditures. The Petitioner approved that itemized portion of the 1999 juvenile court budget appropriating moneys to the juvenile court and one-half of the "maintenance of effort funding" line item; and denied the remainder of the "maintenance of effort funding" and for juvenile court personnel salaries payable after June 30, 1999. The parties waived the Settlement Conference, formal hearing, argument and briefing of this matter, and agreed that the case could be decided on the basis of the stipulated facts and issues.

The parties presented no evidence indicating that Petitioner is not solvent, that the Petitioner does not have adequate financial reserves, or that the amount of funds in issue will substantially affect the county budget to the county's benefit or detriment or the county's ability to finance other proposed expenditures. There are no other issues brought to the Commission's attention by either party relating to the proposed and budgeted expenditures by the circuit court. The Commission therefore finds that the Petitioner is solvent, has adequate financial reserves and that the amount of funds in question will not affect the Petitioner's budget to its benefit or detriment or its ability to finance other proposed expenditures.

The Commission takes notice of the fact that the state budget enacted and approved for state Fiscal Year 2000 includes all amounts requested by the judiciary for personal services, and the Office of Administration for employee benefits, resulting from the state's assumption of the obligation to pay such salaries and benefits for counties in multi-county judicial circuits pursuant to 1998 House Bill 971

The Commission decides that there are no controverted areas of material fact dividing the parties, and concludes that the issues before the Commission are questions of law that can be decided by the Commission without necessity of a formal hearing in this matter.

The Commission concludes that it has jurisdiction to hear and decide this matter. The Petitioner, as the governing body of Stone County, deemed the budget estimate of the Respondent to be unreasonable, and properly filed a petition for review with the Judicial Finance Commission pursuant to Section 50.640, RSMo Supp. 1998 and Commission rules.

The Commission concludes that Petitioner is responsible for juvenile court salaries only for that portion of Budget Year 1999 ending on June 30, 1999; and for maintenance of effort funding only for that portion of Budget Year 1999 beginning on and after July 1, 1999. It would defeat the rationale of 1998 House Bill 971 to require Petitioner to appropriate and encumber funds for the entire budget year. House Bill 971 was premised on the rationale that the state of

Missouri will assume the expense of juvenile court personnel, and the county shall continue to provide "maintenance of effort" funding for juvenile court operations. The state has in fact enacted and approved the necessary appropriations to pay such personnel expenses beginning July 1, 1999.

The Commission further concludes that the "maintenance of effort funding" required by Section 211.393.6, RSMo Supp. 1998, is a minimum level of funding required of each affected county. This funding may be used to defray existing "operations expenditures" (non-personnel-related expense and equipment, excluding salaries, personnel benefits and similar personal services costs). To require a county to pay "personal services" related expenditures would frustrate the intent of 1998 House Bill 971, which was to relieve the counties of the growth in the personal services portion of the counties' juvenile court budgets while requiring counties to continue to provide the same amount of funding for juvenile court operations. The provisions of 1998 House Bill 971 do not require that such funding be expended for enhanced juvenile court operations over and above the county's budgeted effort for juvenile court operations prior to July 1, 1999. A county may pay existing operations expenditures before paying for enhancements to its existing juvenile operations, from the level of funding required by Section 211.393.6, RSMo Supp. 1998. All of such proposed expenditures, however, remain subject to the previous county budget law, and shall be enumerated within the juvenile court budget submitted by the circuit court to the county budget officer pursuant to Section 50.640, RSMo Supp. 1998.

The Commission therefore decides that the Respondent's recommendation to include within the judiciary's budget "maintenance of effort funding" for the portion of Budget Year 1999 prior to July 1, 1999, in the amount of $7,522, and juvenile court salaries payable after July 1, 1999, in the amount of $40,590, is unreasonable. The Commission therefore reduces the juvenile court budget estimates submitted by the circuit court by the amount of $48,112.

Dated this 24th day of August, 1999.

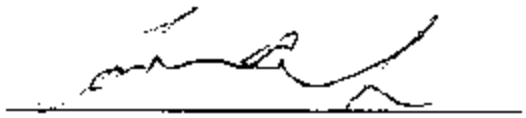
All concur.

JUDICIAL FINANCE COMMISSION

HONORABLE ROBERT G. DOWD, JR.
Chair

Honorable David Coonrod
Honorable Gerald Jones
Honorable Byron Kinder
Honorable Edith Messina
Honorable Floyd McBride
Honorable Marshall Pile

I hereby certify that copies of the foregoing Findings of Fact, Conclusions of Law and Decision were mailed by certified mail, return receipt requested, this 25th day of August, 1999, to: William McCullah, County Counselor - Stone County, Stone County Courthouse, P.O. Box 45, Galena MO 65656, Attorney for Petitioner; and Mark E. Rundel, P.O. Box 206, Galena, MO 65656, Attorney for Respondent.



LAWRENCE A. WEBER
Commission Counsel