

SUPREME COURT OF APPEALS
STATE OF WEST VIRGINIA



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MEMORANDUM

TO: ALL JUSTICES

FROM: STEVE CANTERBURY *sdC*

DATE: November 7, 2016

SUBJECT: Review of the Lowered Reappropriation from FY 2011 until the Present

Justice Workman asked that I prepare a memorandum to explain how the appropriation rollover of some \$29 million in FY 2011 has resulted in a rollover this past fiscal year of \$1.3 million. In brief, she wants to know where the money went.

As can be logically deduced, the carried-over funds were not all spent on a single project or in a single way. Money was spent in several areas in several years that totaled a reduction in the rollover amount of \$28 million. And there was a decision by the Court to ask for lower appropriations during the most recent fiscal years due to growing concerns that key Senate leaders were angered by the excessive amount of the Court's "surplus funds," as they styled it. That anger led to discussions among legislators about sponsoring a constitutional amendment to remove the budgetary privilege of appropriation self-determination that the Court now enjoys.

Before getting into the specifics year-by-year, it is necessary to point out that not only is every dime accounted for in Director of Finance Sue Troy's electronic files, but that the Court approved each of the appropriation requests with an understanding of the major issues and expenditures that the Court was facing when approving these requests, issues such as the threat of a successful constitutional amendment to take away the Court's budgetary independence if the Court continued to have a large fund at the end of each fiscal year, especially as the State faced greater and greater shortages. If any member of the Court wishes to know about any specific expenditure areas to the dime, then Director Troy would be happy to provide that information.

Justice Workman asked that as much of this information as possible be put into bullet points and, in any case, to keep the memorandum brief:

FY 2011

- At the end of FY 2011, the Court carried over approximately \$29 million.

FY 2012

- During the Legislative Session of 2011, Justices, judges, and magistrates all received pay raises effective July 1, 2011. However, the Legislative leadership held up that legislation until they were assured that the Court could digest the additional \$6.1 million, which the Court did. The Legislature did not provide additional, supplemental money to cover those costs.
- The Court also gave back \$2 million to the General Revenue Fund that year.
- At the end of FY 2012, the Court rolled over some \$22.7 million into the next fiscal year. A few lines did not cost as much as were projected some eighteen months earlier when the appropriation request was prepared which is why there was not an ever lower carry-over amount.

FY 2013

- With Senator Prezioso as Chair of Senate Finance and Senator Unger as Majority Leader, scuttlebutt about the Legislative leadership's frustration with the Court's so-called "surplus" started to grow more shrill, and there was more talk of a constitutional amendment to take away the Court's budgetary authority. Therefore, some of the previous year's pay raises were digested in FY 2012: \$4.4 million.
- Some unanticipated construction and furniture purchases for Justices' chambers, the business court, the City Center East server room with backup air conditioning and generators, the Clerk's office, and the Justices' Conference Room added additional costs. There was also new Family Court space in several counties that required the purchase of technologies, furniture, and office equipment. Altogether, there was an additional \$1.2 million spent beyond the budgeted amount.
- The Legislature mandated that drug courts serve all of the state's counties causing an unanticipated spike in drug court expenditures of \$1.9 million.
- At the end of FY 2013, the Court reappropriated \$15.25 million.

FY 2014

- The Court agreed to return \$4 million to the General Revenue Fund.

- The Court did not seek appropriations for approximately \$10 million in expenditures in an attempt to bring the year-end balance to as close to zero as possible, mainly to continue to forestall a constitutional amendment. The Court discussed the need to eliminate any carry-over money at the end of the year so that the Senate leadership would not continue down the path towards the sponsorship of such an amendment. So the money was spent from several lines. No one category saw an extremely large increase, but some of the increases were in the new drug courts, the roll-out of the UJA, the completion of all remodeling in the Capitol and at City Center East, and with mandated raises of certain classifications of employees.
- At the end of FY 2014, the Court reappropriated \$1.8 million.

Since then, the Court has appropriated enough to cover expenditures ending FY 2015 with \$333,514 and FY 2016 with \$1,244,997. The reappropriated amount in FY 2016 includes the \$2 million that was returned to the General Revenue Fund that had been budgeted for the anticipated annual Judicial Retirement contribution. The latter figure would have been a bit lower had more work been done on a couple of the newly created judges' spaces in the first half of that fiscal year.

As requested, I kept this explanation brief. If any more details are requested by any member of the Court, please let me know. Or contact Director Troy directly.

Thank you.