

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: CS/HB 1049 Office of the Judges of Compensation Claims

SPONSOR(S): Government Operations & Technology Appropriations Subcommittee, Stone and others

TIED BILLS: **IDEN./SIM. BILLS:** CS/SB 1298

FINAL HOUSE FLOOR ACTION: 118 Y's 0 N's **GOVERNOR'S ACTION:** Vetoes

SUMMARY ANALYSIS

CS/HB 1049 passed the House on March 9, 2020, and subsequently passed the Senate on March 9, 2020.

The Division of Administrative Hearings (DOAH) is administratively housed within the Department of Management Services, and is separated into two programs: the Adjudication of Disputes program, and the Workers' Compensation Appeals program. The mission of DOAH is to provide a uniform and impartial forum for the trial and resolution of disputes between private citizens and organizations and agencies of the state in an efficient and timely manner. DOAH also maintains a statewide mediation and adjudication system for the efficient and timely resolution of disputed workers' compensation claims. DOAH is headed by a division director (director) appointed by the Administration Commission, consisting of the Governor and Cabinet, and confirmed by the Florida Senate. The director is the chief administrative law judge and oversees the Adjudication of Disputes program. The Workers' Compensation Appeals program is housed within a subdivision of DOAH, the Office of the Judges of Compensation Claims (OJCC). The OJCC is headed by a Deputy Chief Judge of Compensation Claims, who reports to the director.

The OJCC is a separate budget entity from the Adjudication of Disputes program. Until January 1, 1994, salaries of the judges of compensation claims were linked to salaries of Circuit Court judges. Circuit Court judges salaries are established in section 8 of the General Appropriations Act, and as of July 1, 2019, were set at \$160,688. The current annual salary of the judges of compensation claims are \$124,564.20, and the current annual salary of the Deputy Chief Judge of Compensation Claims is \$127,422.12.

Since the salaries were unlinked in 1994, salaries of judges of compensation claims have only increased when the Legislature has appropriated general state employee salary increases. The OJCC is funded solely from transfers from the Department of Financial Services' (DFS) Workers' Compensation Administration Trust Fund.

The bill provides that the salaries for judges of compensation claims will be equal to that of county court judges, with the exception of the Deputy Chief Judge of Compensation Claims, whose salary will be \$1,000 greater than the judges of compensation claims. The salary of a county court judge is currently \$151,822.

The bill provides a recurring appropriation of \$1,114,087 from the DOAH Operating Trust Fund, and associated salary rate of 870,392, to adjust the salaries of the Deputy Chief Judge and the judges of compensation claims. Funds expended from the DOAH Operating Trust Fund are from funds transferred from the DFS Workers' Compensation Administration Trust Fund pursuant to s. 440.50, F.S.

The effective date of this bill was July 1, 2020; however, this bill was vetoed by the Governor on June 30, 2020.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Background

The Division of Administrative Hearings (DOAH) is a quasi-judicial executive agency that aims to provide a uniform and impartial forum for the trial resolution of disputes between private citizens and organizations and agencies of the state in an efficient and timely manner.¹

DOAH is administratively housed within the Department of Management Services,² and is separated into two programs: the Adjudication of Disputes program and the Workers' Compensation Appeals program.³ DOAH is headed by a division director (director), who serves as chief administrative law judge.⁴ The director is appointed by the Administration Commission, a body consisting of the Governor and the Cabinet, and confirmed by the Florida Senate.⁵

The Adjudication of Disputes program is headed by the director.⁶ The Workers' Compensation Appeals program is housed within a subdivision of DOAH, the Office of the Judges of Compensation Claims (OJCC). The OJCC is headed by a Deputy Chief Judge of Compensation Claims who is appointed by the Governor to a term of four years and reports to the division director.⁷

The OJCC is a separate budget entity from the Adjudication of Disputes program.⁸ The judges of compensation claims have exclusive jurisdiction over workers' compensation cases.⁹ As soon as an employer disputes an employee's claim for workers' compensation, an employee may initiate litigation of the matter by filing with the OJCC.¹⁰ Even after a petition is filed, workers' compensation disputes may be resolved via mediation¹¹ or arbitration.¹² However, when necessary, judges of compensation claims may hold hearings to resolve the disputed matter.¹³ Once the hearings are completed, the judge's order may be appealed to the First District Court of Appeal, which maintains sole appellate jurisdiction.¹⁴

The current annual salary of the judges of compensation claims are \$124,564.20, and the current annual salary of the Deputy Chief Judge of Compensation Claims is \$127,422.12.¹⁵ Until January 1, 1994, salaries of the judges of compensation claims were linked to salaries of Circuit Court judges. Circuit Court judges salaries are established in section 8 of the General Appropriations Act, and as of July 1, 2019, were set at \$160,688.¹⁶ Since the salaries were unlinked in 1994, salaries of judges of compensation claims have only increased when the Legislature has appropriated general state

¹ Department of Management Services, *Other Programs*, https://www.dms.myflorida.com/other_programs (last visited Mar. 16, 2020).

² Section 120.65, F.S.

³ DOAH, LONG RANGE PROGRAM PLAN, September 30, 2019, at p. 5, available at <http://floridafiscalportal.state.fl.us/Document.aspx?ID=19578&DocType=PDF> (last visited Mar. 16, 2020).

⁴ Section 120.65(1), F.S.

⁵ *Id.*

⁶ *Id.*

⁷ Section 440.45(1)(a), F.S.

⁸ *Id.*

⁹ See *Sanders v. City of Orlando*, 997 So. 2d 1089, 1094 (Fla. 2008)

¹⁰ Section 440.192, F.S.

¹¹ Section 440.25, F.S.

¹² Section 440.1926, F.S.

¹³ Section 440.25(4), F.S.

¹⁴ Section 440.271, F.S.

¹⁵ DOAH, Agency Analysis of 2020 House Bill 1049, p.1 (Jan. 3, 2020).

¹⁶ Ch. 2019-115, Laws of Fla.

employee salary increases. The OJCC is funded solely from transfers from the Department of Financial Services' (DFS) Workers' Compensation Administration Trust Fund.¹⁷

Effect of the Bill

The bill provides that the salaries for judges of compensation claims will be equal to that of county court judges, with the exception of the Deputy Chief Judge of Compensation Claims, whose salary will be \$1,000 greater than the judges of compensation claims. The salaries of county court judges, which are currently \$151,822, are established in section 8 of chapter 2019-115, L.O.F. As such, the bill increases the salaries for the judges of compensation claims to \$151,822, and the Deputy Chief Judge to \$152,822.

The bill provides a recurring appropriation of \$1,114,087 from the DOAH Operating Trust Fund, and associated salary rate of 870,392, to adjust the salaries of the Deputy Chief Judge and the judges of compensation claims. Funds expended from the DOAH Operating Trust Fund are from funds transferred from the DFS Workers' Compensation Administration Trust Fund pursuant to s. 440.50, F.S.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill provides a recurring appropriation of \$1,114,087 from the Operating Trust Fund of the Division of Administrative Hearings, and associated salary rate of 870,392, to adjust the salaries of the Deputy Chief Judge and the judges of compensation claims.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

¹⁷ DOAH, *supra* note 18, at 1.