

# Judicial Conference audit findings foreshadow future budget talks

PUBLISHED MARCH 31, 2026 BY DILLON CARR

Findings from a state-mandated audit of the Ohio Judicial Conference published Tuesday found the organization has “several opportunities” to improve internal operations.

When it comes to policy questions, however, the auditor passed the buck to the Legislature.

The conference was one of several organizations or agencies newly subjected to state audits through the operating budget (HB 96) after Republicans questioned the conference's use of state appropriations for lobbying efforts.

The 105-page performance audit report highlighted “several opportunities” related to bettering the conference's payroll and other financial management practices. It also noted “multiple internal control deficiencies and areas of noncompliance with [Revised and Administrative code] requirements.”

But “the structure and funding of an organization is a policy matter, and we leave it to the Legislature for further consideration as it is unrelated to our performance evaluation of the Conference,” the audit report concluded.

One outspoken lawmaker, House Finance Committee Chair Rep. Brian Stewart, R-Ashville, has already vowed to bring up OJC's role in Statehouse decisions in the near future.

“Local officials and government branches can form whatever associations they want, and they do. But the degree to which we spend state tax dollars to underwrite those activities is...something I will be questioning again,” Stewart said in an interview.

Paul Pfeifer, the OJC's executive director, responded to the audit in a signed letter dated March 19. In the letter, he thanked State Auditor Keith Faber's staff for being “courteous and professional” and said the conference has either already or is currently working to address each recommendation.

The auditor's recommendations include moving away from manual timekeeping, switching all staff to the standard biweekly delay pay cycle, reconciling revenue tracking to the Ohio Administrative Knowledge System or OAKS, creating a formal

fund-balance policy, establishing procedures for judicial impact statements and fiscal analyses, and formalizing succession planning and onboarding procedures.

Pfeifer said OJC is “already working” with the Department of Administrative Services to improve payroll processes. He also said the conference aims to implement a biweekly delay pay cycle and employee onboarding information and that position descriptions have been updated.

Pfeifer pushed back on the auditor’s recommendations regarding OAKS, saying the “revenue codes are out of our control” and that past financial audits have not flagged the issue. He also suggested creating a formal fund-balance policy is not necessary, pointing out a “formal but unwritten policy” that is reviewed every year.

The auditor highlighted 36 vacation leave and 22 sick leave balance discrepancies, along with inaccurately converted sick leave that resulted in cash deposits for employees.

For example, the auditor found that conference employees had vacation leave balances that exceeded the statutorily permitted maximum of triple the annual accrual 14 separate times between Fiscal Years 2021 and 2025.

In another instance of noncompliance, the agency allowed staff “to convert their unused personal leave to both sick leave hours and cash,” which contradicts OAC Rule 123:1-32-08.

The auditor said the issues have been referred to the office’s financial audit division.

Pfeifer said all those issues have been “acknowledged and corrected.”

“Missing in this report is any acknowledgement that between our state fund and (fund balance), the OJC currently administers annual expenditures of \$1.8 million without any findings of mishandling funds, both income and expenditures, in all state audits performed from 2017 to the present,” Pfeifer wrote.

The report also pointed out OJC’s “unique” structure and set of responsibilities as an “independent state government entity that serves the judiciary at both state and local levels.”

The auditor based its label on a survey that included 32 other states saying “the responsibilities and duties of OJC are commonly conducted within state governments” rather than a standalone state agency.

Regarding judicial impact statements — assessments issued by OJC to inform the Legislature on the impact of certain legislation on the judiciary — auditors concluded the organization does have the authority to produce such analyses and determine when to do so.

But if it decides to do so, there are statutorily required elements that must be included, auditors assessed, including an analysis of a bill's fiscal effects, a financial estimate, and an analysis of procedural and administrative impacts.

“We found that over the past 10 years, none of the judicial impact statements produced by OJC have included all three of these elements,” the auditor's report reads.

In response, Pfeifer said impact statements “represent a small fraction of our legislative outreach,” but he acknowledged the “deficiencies” and pointed to the “difficulty in assessing an exact dollar amount of impact a bill might have.”

He also said courts operate independently and so “operational costs can differ widely from jurisdiction to jurisdiction.”

“To address the valid deficiencies raised in the report, we are in the process of forming a small committee of judges to establish a formal policy on the development of impact statements: when to issue, and how they are to be developed, including greater attention to fiscal impact when relevant,” he wrote.

Stewart, who led the public charge for the new audit requirement, said he was not surprised by auditors' findings. He reiterated the basis of his concern, which centers on state taxpayer dollars funding a lobbying organization.

Stewart said the state appropriates around \$1.2 million for OJC every biennium.

“But that's in addition to the money they raise through their own private activity,” he said, pointing to the conference's revenue streams, including selling jury instructions to Ohio courts, dues paid by judges and hosting conferences.

“Why pay for them to have four lobbyists rather than let them be self-sustaining? Some of this million dollars could be better spent in the actual judiciary than paying a lobbying organization,” Stewart said.

The lawmaker expects the debate to begin anew during the next budget cycle. And when it does, he said he intends to ask some hard questions.

“The statute that authorizes OJC to have a sort of special statutory role in the legislative process needs to be revisited,” he said, adding the intent of the statute was to have the judiciary provide feedback on the financial impact of various bills.

“And they're not doing it,” Stewart said. “So if they're not going to follow the process that is laid out for those impact statements, it begs the question whether we still need to have them.”

Pfeifer, in response, reiterated that the conference's legislative operations are only a small portion of its work.

Nevertheless, he asked his own question.

“Do you want the staff from the Supreme Court — where the ultimate decisions are made on whether laws are constitutional or not — opining and assisting in the drafting of such bills?” he asked. “I think the answer is easily no. That should not be happening. That’s what led to the judicial conference’s formation in the first place.”