

**Trial Court Budget Commission  
Conference Call Meeting Minutes  
February 11, 2011**



**Attendance – Members Present**

The Honorable John Laurent, Chair  
Mr. Mike Bridenback  
The Honorable Catherine Brunson  
The Honorable Joseph Farina  
The Honorable Ficarrota  
The Honorable Charles Francis  
Mr. Tom Genung  
Ms. Sandra Lonergan  
The Honorable Thomas McGrady  
The Honorable Mark Mahon  
The Honorable Wayne Miller  
The Honorable Debra Nelson

The Honorable Margaret Steinbeck, Vice Chair  
Ms. Carol Ortman  
The Honorable Gregory Parker  
The Honorable Belvin Perry, Jr.  
The Honorable Robert Roundtree  
The Honorable Susan Schaeffer  
The Honorable Elijah Smiley  
Mr. Walt Smith  
The Honorable Patricia Thomas  
Mr. Mark Weinberg  
Ms. Robin Wright

**Attendance – Members Absent**

No members were absent.

**Welcome**

Judge Laurent called the Trial Court Budget Commission (TCBC) meeting to order at 12:05 p.m. The roll was taken and a quorum was present. Judge Laurent welcomed the members and asked others on the telephone conference call to introduce themselves. Judge Laurent stated that the purpose of the meeting was to discuss current year cash shortfall.

**FY 2010-11 Budget Update**

**State Courts Revenue Trust Fund Revenue Forecast**

Kris Slayden provided the estimated cash balances for FY 2010-11 through FY 2011-2012 for the State Courts Revenue Trust Fund (SCRTF). The current year FY 2010-11 estimated cash balance based on the November 15, 2010 Article V Revenue Estimating Conference (REC) is \$22,216,216. The State Courts System's estimate, using the most recent two months of revenue collections to estimate the last five months of revenue collections, is (\$73,776,874). The most recent two months of revenue collections are also the low months. The courts have

experienced a trend of flat filings for the last three months and 77% of revenue in the trust fund is generated from mortgage foreclosure filing fees. The courts' projected shortfall in revenue includes an estimated payment of the 8% General Revenue service charge of \$20,145,550. The REC is scheduled to meet February 14<sup>th</sup> and should take into account the large drop off in foreclosure revenue. A revised REC estimate should be available by February 16<sup>th</sup>.

Ms. Slayden noted that the estimated cash balance is a fluid amount and that estimates will change each day, based upon actual collection of revenue and rate of spending. The shortfall will continue to be closely monitored and estimates updated. Judge Laurent added that the budget is fixed and the courts are forecasting spending on an unknown revenue collection amount.

### **Discussion and Recommendation of Plan to Lessen the Impact of Potential Current Year Revenue Shortfall**

Dorothy Wilson presented a cash statement for the State Courts Revenue Trust Fund (SCRTF) that incorporated proposed savings and the resulting estimated cash balances by month, until year end. After applying proposed cost savings measures and proposed maximizing of cash from other funds, a zero fund balance is projected by the end of March and deficits in the months thereafter with a total cash deficit of \$45,109,540 for FY 2010-11.

Ms. Wilson reviewed the detail of the proposed savings which included a freeze on: vacant positions, OCO category, Foreclosure and Economic Recovery Program, all remaining Expenses of lower priority, all remaining Contracted Services of lower priority, and all remaining Other Personal Services, Civil Traffic Infraction Hearing Officers, Due Process Costs, Mediation Services of lower priority. Proposed savings also included reduction of senior judge utilization, reduction of Emergency Operating Reserves, and the elimination of Due Process Reserves. To preserve cash, each circuit would be asked to identify unobligated funds. Judge Perry stressed the importance of spending for absolute necessities only and to defer other purchases.

With six judicial vacancies in the 11<sup>th</sup> Circuit, Judge Farina expressed concern about the proposed reduction of senior judge resources and suggested no decisions be made until the circuits' unobligated funds are identified. Mike Bridenback agreed that the TCBC should wait. He added that this projected deficit is a result of the foreclosure revenue dropping off and the legislature transferring judges from General Revenue to the State Courts Revenue Trust Fund. Judge Laurent noted that the long range forecast has court funding going back to General Revenue. The courts have not overspent funds based on the budget; however, the budget is based on an assumption of revenue. He supported creating a reserve of funds to help get through the fiscal year in case the revenues do not come in. The legislature will use REC forecasts to make any decisions on giving the courts additional funds. Judge Francis stated that he believes the court will continue to see a drop in revenues for the next two to three months.

Lisa Goodner added that if the legislature provides additional funds to the courts based on REC estimates and those revenues do not come in, the courts will have to furlough employees.

Walt Smith asked if the courts are allowed to suspend the Foreclosure and Economic Recovery Program. Judge Laurent replied that because the legislature specifically appropriated funds for the program, the courts should identify the intent to the legislature and ask.

Judge Roundtree offered a motion to approve the proposed savings recommendations, excluding vacant positions where candidates were already offered a position. Judge Francis seconded the motion.

Mike Bridenback suggested delaying the decision until the updated REC forecast is received or after the templates of unobligated funds are received back from the circuits. Walt Smith and Carol Ortman agreed with Mr. Bridenback's recommendation. Judge Laurent stated that the SCRTF will have a zero balance in one month and every week that a savings plan is not in place, fewer funds are available to apply to the deficit. Judge Mahon suggested approving the recommendations today and revisit the issue in two weeks.

Mike Bridenback made a motion to delay any decisions until Tuesday, February 15<sup>th</sup> and Carol Ortman seconded the motion. The motion failed. Judge Laurent called for a vote on the original motion, to approve the proposed savings recommendations, excluding vacant positions where candidates were already offered a position. The motion passed by majority vote.

Charlotte Jerrett stated that the template for unobligated funds is available to be distributed to the circuits immediately with a due date back to OSCA by close of business Wednesday, February 16<sup>th</sup>. Lisa Goodner added that the returned templates would be compiled and ready to present to the TCBC by Friday, February 18<sup>th</sup>. Judge Francis offered a motion to approve the template distribution, timeline, and to set a meeting via conference call on Friday, February 18<sup>th</sup>. Mark Weinberg seconded and the motion passed without objection.

## **Adjournment**

With no other business before the Commission, the meeting adjourned at 1:10 p.m.