

**Trial Court Budget Commission**  
**Meeting Minutes**  
**April 7, 2014**



**Attendance – Members Present**

The Honorable Margaret Steinbeck, Chair  
The Honorable Catherine Brunson  
The Honorable Ronald Ficarrotta  
Ms. Sandra Lonergan  
The Honorable Thomas McGrady  
The Honorable Wayne Miller

The Honorable Debra Nelson  
The Honorable Gregory Parker  
The Honorable Belvin Perry, Jr  
Ms. Kathy Pugh

The Honorable James McCune  
The Honorable Robert Roundtree  
The Honorable Olin Shinholser  
The Honorable Elijah Smiley  
Mr. Walt Smith  
The Honorable Bertila Soto  
The Honorable John Stargel  
The Honorable Patricia Thomas  
Mr. Mark Weinberg  
Ms. Robin Wright

**Attendance – Members Absent**

The Honorable Mark Mahon, Vice Chair  
Mr. Tom Genung

Mr. Grant Slayden  
The Honorable Terry Terrell

**Special Note:** It is recommended that these minutes be used in conjunction with the meeting materials.

**Agenda Item I: Welcome and Approval of Meeting Minutes**

Judge Steinbeck called the Trial Court Budget Commission (TCBC) meeting to order at 8:31 a.m. The roll was taken with a quorum present.

Judge Steinbeck presented the draft meeting minutes from the January 6, 2014, and December 13, 2013, TCBC meetings and asked if there were any changes necessary before approval. Judge Brunson moved to approve the January 6 minutes as drafted, with a second from Judge Roundtree. The motion passed without objection. Judge Brunson moved to approve the December 13 minutes as drafted. Judge Nelson seconded and the motion passed without objection.

## **Agenda Item II: Status of FY 2013-14 Budget**

### **A. Salary Budgets**

#### **1. Payroll Projections**

Dorothy Wilson provided an overview of the trial court salary budgets for FY 2013-14 as of March 31, 2014. Ms. Wilson reported the current General Revenue and State Courts Revenue Trust Fund combined projections estimated a \$401,743 deficit through year end. The estimated deficit has been decreasing monthly due to lapse and other savings. If this trend continues, the deficit will be made up by year end. OSCA staff is closely monitoring this issue and if the trend shifts in the other direction, a TCBC conference call will be scheduled to discuss options to cover any projected deficit.

#### **2. Positions Vacant For More Than 180 Days**

Theresa Westerfield provided an overview of positions vacant longer than 180 days as of March 26, 2014, noting only two positions remain on the report and the 11th and 15th Circuits continue to have recruitment issues.

#### **3. Reclassifications/Actions**

Judge Steinbeck asked that all reclassification requests be held due to the projected deficit in the salary budget. Theresa Westerfield reported that currently one request is pending and the circuit will hold the request.

### **B. Operating Budgets**

Dorothy Wilson provided an overview of the operating budgets for FY 2013-14 as of March 31, 2014.

### **C. Trust Fund Cash Balances**

Dorothy Wilson provided an overview of the trust fund cash balances through March 31, 2014 for FY 2013-14.

**State Courts Revenue Trust Fund** - Ms. Wilson reported the February 13, 2014 Revenue Estimating Conference revised its estimates downward by another \$1.6 million to \$86 million for the State Courts Revenue Trust Fund (SCRTF). In addition, the supplemental legislative appropriations were imbalanced between General Revenue and the State Courts Revenue Trust Fund (SCRTF), resulting in the need to shift expenditures from General Revenue to the SCRTF. The trust fund is estimated to run out of cash in May and end the year in a deficit of approximately \$5.1 million. Ms. Wilson noted a legislative budget request technical issue was submitted to fix the fund balance problem, as advised by the governor's staff. At this time, neither the House nor Senate have picked up this technical issue. OSCA staff are working with legislative staff. Judge Steinbeck remarked it should be made clear that this is a revenue problem and not a spending problem.

Kris Slayden provided an overview of the Office of the State Courts Administrator's (OSCA) projected revenue deficit, noting the legislative budget request was approved based on the February 6, 2013, Article V Revenue Estimating Conference projection of \$102.3 million. The total reduction in the official estimated revenue is \$16.3 million over the last 12 months and that actual revenue has come in 4% lower than the official estimates for February through March. The OSCA estimate includes a 4% shortfall rate for April through June which equals close to \$1 million, increasing the estimated ending cash balance deficit to almost \$6 million. Ms. Slayden added that the House budget includes back of bill language that provides \$1.7 million to cover FY 2013-14 trust fund deficits. The Senate budget includes \$1.8 million but ties the funds to conflict counsel payments. If the \$1.7 million is provided, the adjusted ending cash shortfall for year end will be \$4.2 million.

Ms. Slayden provided an overview of the FY 2014-15 projected deficit and proposed General Revenue Fund shift as a possible solution. Lisa Goodner reported that no interest was shown by the governor's and legislative staff. Judge Steinbeck asked Judge Roundtree and the Budget Management Committee to review the long term funding issue and formulate a plan for next fiscal year. Judge Steinbeck noted that each year the state courts system reverts funds not expended and to request the legislature to cover the shortfall while reverting funds each year is not appropriate. The state courts system reverted \$9 million or 2.3% of the budget last fiscal year. Expenditure trends were reviewed and as a solution, the Executive Committee asked staff to propose a proportional share of operating budget reduction in General Revenue for transfer to the salary and benefits category to shift expenditures off the SCRTF.

Judge Steinbeck provided an overview of the trial court's proportional share of the shortfall and proposed reduction target amounts. The trial court share of the \$4.2 shortfall is \$3.6 million. The individual circuit amounts were based on a \$3 million trial court share of the \$4.2 shortfall and pro-rata of the total trial court base budget, less dedicated funds. The remaining \$600,000 would come from the operating budget reserve, leaving \$1.5 million in reserve to cover due process deficits and conflict counsel payments. Walt Smith moved to take \$600,000 from reserve and \$3 million from the operating budget to cover the shortfall. Judge Smiley seconded and the motion passed without objection. Judge McGrady noted that circuits are not limited to the reduction target amount and may offer more if additional unobligated funds are available.

**Administrative Trust Fund** - Dorothy Wilson reported the ending balance as of March 31, 2014, was \$1.1 million. The ending balance of \$12,840 from last year for attorney payments over the flat fee will be moved to the State Courts Revenue Trust Fund to help mitigate the SCRTF shortfall.

### **Agenda Item III: Conflict Counsel Cases Over the Flat Fee**

Jessie Emrich McMillan provided an overview of the Conflict Counsel Cases over the Flat Fee payments, noting current estimates project an increase of \$1.2 million in FY 2013-14 compared to FY 2012-13 based on year to date expenditure data. The majority of the case types are capital and Racketeer Influenced and Corrupt Organizations (RICO). The Funding Methodology Committee has recommended revising the methodology for determining FY 2014-15 circuit allowances to include all capital case types and RICO appeals paid by the statewide pooled funds. The committee also recommended establishing funding floors. Walt Smith moved to approve the Funding Methodology Committee recommendation. Judge McGrady seconded and the motion passed without objection

### **Agenda Item IV: Foreclosure Backlog Reduction Initiative**

Alex Krivosheyev provided an overview of the Foreclosure Backlog Reduction Initiative for FY 2013-14. As of March 24, 2014, \$5.7 million of the \$9.5 million allocated for FY 2013-14 has been spent. It is anticipated that \$2.0 million in unspent funds will be carried over into FY 2014-15 and the Funding Methodology Committee will determine a methodology to reallocate back to the circuits. Judge Steinbeck noted that FY 2013-14 allocations fully funded the circuit plans. Any remaining funds will be allocated to FY 2014-15 in hopes of fully funding the plans next year.

### **Agenda Item V: Child Support Hearing Officers and General Magistrates**

Jessie Emrich McMillan reported that questions have arisen as to the appropriate application of the approved policies in recommending allocations and reallocations for vacant administrative support positions in the child support hearing officers and general magistrates element. The Funding Methodology Committee recommended further refining the allocation or reallocation methodology for new or vacant positions to review the one to 1:1 ratio first, then review the need based on workload. Judge Brunson moved to approve the Funding Methodology Committee recommendation. Judge Roundtree seconded and the motion passed without objection.

### **Agenda Item VI: Update on Technology Funding Strategies Workgroup**

Judge Roundtree reported on a letter from Chief Justice Polston regarding the Technology Funding Strategies Workgroup's charge to review potential funding sources to fund judicial viewers and the future technology needs of the state courts system. Based on the recommendations of the National Center for State Courts, the chief justice asked that the workgroup to consider the issue of access fees for remote access to court documents, including a proposed fee structure, if any, for electronic access to court records, and submit its recommendations to the supreme court. The workgroup will seek input from the clerks of court. Kris Slayden added that a status report will be provided at the June TCBC meeting.

### **Agenda Item VII: Update on 2014 Legislative Session**

Dorothy Wilson provided an overview of Senate Bill 2500 and House Bill 5001 in comparison to the legislative budget request submitted by the state courts system. Proviso, back of the bill, and conforming bill language from both bills were also reviewed. Lisa Goodner noted line items that were not funded and member projects.

#### **A. House and Senate Budget Proposals**

Eric Maclure provided an overview of the court-related conforming bills (Senate Bill 2510, House Bill 5301, House Bill 5303 and Senate Bill 2508) proposed by the Senate and the House to make statutory changes that support their proposed budgets.

#### **B. Pay Issue for State Courts System Staff**

Theresa Westerfield reported on the status of the pay and benefits section of Senate Bill 2500 and House Bill 5001.

#### **C. Pay and Benefits Legislation**

Theresa Westerfield reported on the status of House Bill 7157 regarding state group health insurance. There was no Senate companion bill at that time.

#### **D. Florida Retirement System Legislation**

Theresa Westerfield reviewed House Bill 7173 regarding the Florida Retirement System. There was no Senate companion bill at that time.

#### **E. Other Significant Budget-Related Legislation** – There was no discussion on this agenda item.

### **Agenda Item VIII: Judicial Conference and TCBC Legislative Activities**

Judge Steinbeck thanked the TCBC members, conferences of district court of appeal, circuit and county court judges for their coordinated effort throughout the legislative session. Judge Shinholser provided a report of the Conference of Circuit Court Judges' activities. Judge McCune provided a report of the Conference of County Court Judges' activities.

### **Agenda Item IX: Personnel Committee Report**

Walt Smith reported the Conference of County Court Judges requested a review of the pay parity between county and circuit judicial assistants. The Personnel Committee will obtain feedback from the Conference of Circuit Judges and the Judicial Assistants Association of Florida before this issue is brought before the TCBC.

**Agenda Item X: Report from the Chief Justice's Designee to the Clerk of Court Operations Corporation (CCOC) Executive Council**

Judge McGrady reported the clerks' are projecting a revenue deficit and are expecting a \$20 million shortfall. The clerks are seeking funds for the deficit this fiscal year and are additionally surveying all counties for voluntary reduction and working on improving collections. Judge McGrady noted that a CCOC general counsel's legal opinion determined that the use of the official Revenue Estimating Conference projections for budgetary purposes are not binding and not required for the development of clerks' budgets.

**Adjournment**

With no other business before the commission, the meeting adjourned at 11:45 a.m.