

Trial Court Budget Commission
Meeting Minutes
May 15, 2009



Attendance - Members Present

Hon. Belvin Perry, Jr., Chair	Hon. Judy Pittman
Hon. Charles Francis, Vice Chair	Hon. Robert Roundtree
Hon. Catherine Brunson	Hon. Susan Schaeffer
Ruben Carrerou	Walt Smith
Hon. Joseph Farina	Hon. Patricia Thomas
Tom Genung	Mark Weinberg
Hon. Wayne Miller	Robin Wright
Carol Ortman	

Attendance - Members Absent

Hon. Alice Blackwell	Hon. Mark Mahon
Hon. Paul Bryan	Hon. Robert Morris
Hon. Carroll Kelly	Hon. Margaret Steinbeck
Hon. John Laurent	

Judge Perry called the Trial Court Budget Commission (TCBC) meeting to order at 12:15 p.m.

I. Welcome

Judge B. Perry welcomed the members and the roll was called.

II. Status of Operating Budgets

A. General Revenue Operating Budget

Dorothy Wilson provided a status of the trial court operating budgets as of April 30, 2009. Approximately \$6 million remains unspent in the Expense category and \$800,000 in the Contracted Services category. Actual spending rates are considerably lower than the average year to date spending rate of

83%. Last year's actual spending rate by April was 72.5%. Due process expenditures are also lower.

B. State Court Revenue Trust Fund (SCRTF) Revenue and Operating Cost Forecast

Charlotte Jerrett provided a review of the revenue and operating cost forecast to determine the ability to get through May and June. Revenue collections for April were \$1.89 million. The actual payroll cost and the 7% revenue surcharge totaled \$3.48 million, leaving a cash shortage of \$1.58 million. The forecasted revenue through June 30, 2009 is approximately \$8 million and the forecasted payroll cost including the revenue surcharge is \$10.6 million, leaving a cash shortage of \$2.6 million.

Ms. Jerrett reviewed the action plan for the payroll coverage. As a result of the hiring freeze, the total branch-wide General Revenue (GR) salary budget available for use in the action plan is \$3.4 million. Also available is \$1 million in the Operating Trust Fund, totaling \$4.4 million available to cover the payroll shortage. Ms. Jerrett noted that in July the SCRTF will become a branch-wide trust fund.

Walt Smith asked if revenue from this fiscal year would roll over to the next fiscal year. Ms. Jerrett stated that cash does roll over and that \$1 million is available for use from the Operating Trust Fund. The legislature authorized a one-time use of \$7 million in unobligated trust fund cash from the Mediation/Arbitration Trust Fund. General Appropriations Act implementing language allows the judicial branch to obtain a loan from General Revenue in the event cash collections fall below 98% of estimated revenue.

III. Status of Due Process Budgets

A. Fifth Circuit Exception Request

Dorothy Wilson reported that the 5th Circuit is requesting \$188,393 in unobligated court reporting due process funds and \$21,000 in due process cost recovery funds to purchase digital court reporting equipment for use in new courtrooms. The Executive Committee first reviewed all deficits and after those deficits were covered, they approved this request.

The Budget and Pay Administration Memorandum prohibits use of due process funds for the purchase of court reporting equipment. The commission may request a temporary exception to this policy from the chief justice.

Judge Thomas made the motion to approve the 5th Circuit's request contingent upon approval of the policy exception from the chief justice. Carol Ortman seconded, and the motion was approved without objection.

B. Circuit Deficit Requests

Dorothy Wilson provided a review of the deficit requests in Due Process Services. The requesting circuits worked with OSCA Budget Services staff to reduce the deficit amounts by taking other budgetary actions such as internal transfers or budget amendments. The 2nd Circuit certified a deficit of \$86,818 and reduced that amount to \$39,318. The 4th Circuit certified a deficit of \$223,000 and reduced that amount to \$148,000. The revised deficits amounts were certified.

The Template for Forecasting of Unobligated General Revenue Funds was completed and submitted by all circuits. Ms. Wilson reviewed the circuit forecast which identified \$1.8 million in unobligated funds and the forecast based on FY 08-09 expenditure trends which identified \$3.1 million in unobligated funds.

The staff recommendation is to prorate the certified deficits out to the circuits reporting surplus due process funds. Ms. Wilson reviewed the recommended prorated amounts for certified deficits from the anticipated due process surplus, leaving \$1.7 available for the year end spending plan.

Judge Miller made the motion, seconded by Judge Roundtree, to approve the pro-rated amounts to cover the certified deficits from the 2nd and 4th Circuits. The motion passed without objection.

C. Year End Spending Plan

Patty Harris provided a review of the options for allocating the FY 2008-09 available year end spending funds. The options direct funds towards refresh of court reporting equipment to protect the court's investment and address probable equipment failures. Expansion was not considered due to the uncertainty of future expansion related maintenance funds.

Option One – Maintain FY 2008-09 allocations for the purchase of court reporting refresh equipment based on each circuit's available total due process unobligated dollars. Approve a temporary policy provision to allow circuits to spend remaining FY 2008-09 due process contractual funds for the purchase of court reporting refresh equipment.

Option Two – Adjust FY 2008-09 allocations for the purchase of court reporting refresh equipment based on a proportional distribution of each circuit's approved FY 2009-10 refresh LBR. Approve a temporary policy provision to allow circuits to spend remaining FY 2008-09 due process contractual funds for the purchase of court reporting refresh equipment.

Ms. Harris also reported that the 8th Circuit requests \$23,000 to purchase hardware for open source software to be shared statewide. Judge Roundtree added that the open source software is free and has no support fee. The application can be turned on and off from workstations. The quality of the recording is outstanding. Savings in software maintenance costs is estimated at \$1.1 million.

Judge Roundtree made the motion to approve Option 2 and approve the 8th Circuit's request. Judge Miller seconded, and the motion passed without objection.

Walt Smith asked if circuits can redistribute their spending plan allocation to other circuits. Judge Brunson inquired if funds can be given back to circuits that have given them up. Charlotte Jerrett stated that due to tight purchasing deadlines, there is no time to give back funds and that circuits will have to share funds through internal transfers. If a circuit has zero funds in the Option 2 plan, they may request funds from another circuit. Ms. Jerrett added that upon approval of the plan by the chief justice, the funds will be moved to a special cost center.

Adjournment

Judge Perry announced that the next meeting is scheduled for August 19, 2009, and asked staff to obtain tentative dates for a December meeting. With no other business before the commission, Judge Perry adjourned the meeting at 1:05 P.M.