



**Joint Meeting of the  
District Court of Appeal Budget Commission  
and Trial Court Budget Commission  
Meeting Minutes  
October 7, 2011**

**Attendance – Members Present**

**District Court of Appeal Budget Commission**

The Honorable Richard Orfinger, Chair	The Honorable Vincent Torpy
The Honorable Robert Benton, II	The Honorable Linda Wells
The Honorable Simone Marsteller	The Honorable Dorian Damoorgian
The Honorable Morris Silberman	The Honorable Melanie May
The Honorable Stevan Northcutt	Marshal Stephen Nevels
Marshal Glen Rubin	Marshal Ty Berdeaux

**Trial Court Budget Commission**

The Honorable John Laurent, Chair	The Honorable Gregory Parker
The Honorable Catherine Brunson	Ms. Kathy Pugh
The Honorable Joseph Farina	The Honorable Robert Roundtree
The Honorable Ronald Ficarrotta	The Honorable Louis Schiff
The Honorable Charles Francis	The Honorable Elijah Smiley
Mr. Tom Genung	The Honorable Patricia Thomas
Ms. Sandra Lonergan	Mr. Mark Weinberg
The Honorable Thomas McGrady	Ms. Robin Wright
The Honorable Debra Nelson	

**Attendance – Members Absent**

**District Court of Appeal Budget Commission**

The Honorable Frank Shepherd	Marshal Al Sadowski
Marshal Jo Suhr	

**Trial Court Budget Commission**

Mr. Mike Bridenback	The Honorable Belvin Perry, Jr.
The Honorable Mark Mahon	Mr. Walt Smith
The Honorable Wayne Miller	The Honorable Margaret Steinbeck, Vice Chair

## **Welcome and Roll Call**

Judge Orfinger, Chair of the District Court of Appeal Budget Commission, called the Joint District Court of Appeal Budget Commission (DCABC) and Trial Court Budget Commission (TCBC) meeting to order at 12:01 p.m. The roll was taken and quorums were present. Judge Orfinger stated that the purpose of the meeting was to review the Revenue Stabilization Workgroup's draft report of recommendations and no formal votes would be necessary.

## **Recommendations of the Revenue Stabilization Workgroup**

Judge Laurent, Chair of the TCBC and Co-Chair of the Revenue Stabilization Workgroup, provided a brief overview stating that the workgroup, comprised of court and clerks of court representatives, was tasked with providing recommendations to stabilize funding to ensure sufficient cash would be available to support appropriations. The report of recommendations will be submitted to the Supreme Court and is due to the Legislature by November 1, 2011. Judge Laurent noted that this exercise was very valuable and worthwhile. Judge Farina, a workgroup member, thanked Lisa Goodner, Kris Slayden, and other OSCA staff for their assistance.

Kris Slayden reported that the Clerk of Court Operations Conference (CCOC) Executive Council met this week and distributed the draft recommendations to all 67 clerks of court for comment. The CCOC Executive Council will meet next week to review the clerks' comments and final affirmation.

Ms. Slayden provided a report summary and stated that both the courts and clerks have had challenges with insufficient revenue and the volatile nature of the revenue sources. The Legislature and Governor faced challenges as they have been required to provide loans to the courts and clerks of court from the state treasury to cover revenue deficits. The courts received \$53 million to begin FY 2011-12 and an additional \$45.6 million was requested.

In FY 2010-11, the clerks collected over \$1 billion in Article V revenues. The courts received \$228 million or 22% and the clerks received \$432 million or 42.8% of the collected revenue. The General Revenue Fund (GR) received almost \$200 million. Over 30 state trust funds in 18 state agencies received Article V revenues. The revenues collected by the clerks were placed in 1,626 different "buckets" or earmarks that are identified in statute.

Ms. Slayden reviewed guiding principles developed by the workgroup as a foundation for building their recommendations. In addition, the workgroup proposed that the State Courts System and Clerks of Court be considered as the "Core Court System" and that court related revenue be defined as revenue generated by the performance of court related functions of the Core Court System. The workgroup proposed that the cost for judges, constitutional due process protections, and other costs such as appellate court building leases and activities of the Judicial Qualifications Commission be paid from the GR and not from court user fees. The

workgroup also proposed that an operating cash reserve equal to 1/12 of the courts' and clerks' annual trust fund appropriation be distributed at the beginning of each fiscal year.

Ms. Slayden reviewed the current revenue structure and stated that current revenues would be sufficient to fund the courts and clerks. The proposed revenue structure was presented. The clerks would continue to remit all revenues to the Department of Revenue (DOR). DOR would transfer all monies to a newly created Core Court System Clearing Trust Fund, administered by the Chief Financial Officer (CFO). The CFO would transfer 1/12 of the annual appropriations plus the corresponding 8% GR service charge monthly to the courts and clerks. The remaining funds in the clearing trust fund would be distributed to GR and other agency trust funds as determined by the Legislature. Ms. Slayden added that the workgroup recommended, as a trade-off for revenue stability, that if revenues collected are greater than the appropriations, the excess be transferred to the GR and the courts and clerks receive only their appropriated budget.

Ms. Slayden reviewed the statutory amendments that would be necessary to implement the recommendation.

Judge Orfinger invited each district court and trial court to comment on the recommendations.

Judge Marstiller, 1<sup>st</sup> DCA, asked if the workgroup considered a three-month cash reserve. Judge Orfinger responded that the workgroup discussed different options and that a one month was consistent with private organizations. The workgroup reviewed revenue variation data and concluded that one month of reserve seemed sufficient. Lisa Goodner added that 1/12 of the total appropriation is substantial and should be sufficient. The draw would take place in June for the new fiscal year.

Judge Terrell, 1<sup>st</sup> Judicial Circuit, stated that the courts rely so much on revenues from foreclosure filings and asked what would happen when the fees eventually drop. Judge Laurent replied that the fall off has already occurred and transferring judicial salaries to GR would help alleviate the situation. Lisa Goodner added that due process costs that are constitutionally required would also be transferred to GR. Judge Orfinger stated that this plan provides no new funding. The plan only stabilizes revenue to support appropriations.

Judge Parker, 3<sup>rd</sup> Judicial Circuit, inquired if the new structure would alleviate concerns with having revenue shortfalls. Judge Orfinger replied that a certain amount of risk will remain. Lisa Goodner stated that if GR absorbs the risk, it is a much smaller risk for GR than the State Courts Revenue Trust Fund (SCRTF).

Judge McGrady, 6<sup>th</sup> Judicial Circuit, asked for clarification of the CFO's role in administering the clearing trust fund. Judge Orfinger stated that the budget process would not change. As the needs of the courts change, the amount requested each year would change accordingly.

Charlotte Jerrett added that the clerk's distribution structure will remain in place to avoid unnecessary disruption. A third party was needed to administer the clearing fund, which would not be housed within the courts or the clerks.

Judge Farina commented that the workgroup will vote on the draft report and will forward to the Supreme Court for approval or modification. The final report will be submitted to the Legislature after approval by the Supreme Court. Lisa Goodner stated that inquiries from the press have been received and they have been told that the report would be available November 1.

Judge Orfinger expressed appreciation to the workgroup for their participation. Judge Laurent stated that the next step after report submission is for the courts and clerks to stay together and to educate legislators.

### **Adjournment**

With no other business before the Commission, the meeting adjourned at 12:53 p.m.