



## MEETING AGENDA

**12:30 p.m. to 1:15 p.m., Thursday, October 23, 2014**

**By Telephone Conference Call**

**Number: 1-888-670-3525 Code: 2923925849#**

**Note: By Wednesday afternoon, October 22, materials will be available at:**

**<http://www.flcourts.org/administration-funding/court-funding-budget/trial-court-budget-commission/>**

---

- I. Transfer of Trial Court Funds to Facilitate Circuit Senior Judge Needs

## **Agenda Item I.: Transfer of Trial Court Funds to Facilitate Circuit Senior Judge Needs**

### **Background:**

During the 2013 Legislative Session, non-recurring funds were appropriated to the State Courts System (SCS) from the National Mortgage Foreclosure Settlement Funds for judicial and case management resources (\$16 million), as well as technology resources (\$5.3 million), to assist in addressing the backlog of foreclosure cases. The Legislature authorized the SCS to expend these funds over two fiscal years, FY 2013-14 and FY 2014-15.

On May 15, 2013, the Trial Court Budget Commission (TCBC) approved circuit allocations for FY 2013-14 for case management and judicial resources in the amount of approximately \$9.7 million. These allocations were based on fully funding the Foreclosure Backlog Reduction Initiative, as recommended by the TCBC Foreclosure Initiative Workgroup, for the first year, with the understanding that the second year would not be fully funded. From the \$16 million appropriated by the Legislature, approximately \$6.3 million was left to be allocated in FY 2014-15.

On June 4, 2014, the TCBC approved circuit allocations for the second year of the Foreclosure Backlog Reduction Initiative. Part of the FY 2014-15 allocations approved by the TCBC included funds that were estimated to be unexpended from FY 2013-14, to help fill the gap between a fully funded amount of \$9.7 million and the remaining funds available to allocate of approximately \$6.3 million. The TCBC approved for funds to be allocated to the circuits through a second distribution with the understanding that the amount of the second distribution was based on an estimate and could be adjusted after the specific amount of the unexpended funds was determined.

In July, the second distribution of the Foreclosure Backlog Reduction Initiative resources was adjusted when, based on actual FY 2013-14 expenditures, it became clear that the total amount available for FY 2014-15 was going to be \$362,389 less than the original estimate. In order to adjust the second distribution in as minimally disruptive manner as possible, the \$362,389 reduction was applied to the allocation for foreclosure senior judge days (Attachment A). The number of days allocated to each circuit was reduced based on the proportion of each circuit's original foreclosure senior judge day allocation, for a total reduction of 1,028 days. The decision to adjust the foreclosure senior judge days was made with the thought that regular senior judge days could be used to supplement the foreclosure days, if necessary, since those resources have historically carried a remaining balance at the end of the year. Circuits were also notified that

they could submit budget amendments if they needed to move resources from other operating categories into their senior judge days category.

Concerns have been expressed about the impact of the adjustment, particularly on circuits with a foreclosure initiative model that relies heavily on the use of senior judges to assist in the processing of foreclosure cases (e.g., as compared to circuits that rely more heavily on magistrates or case managers). These circuits were disproportionately affected by the reduction in their allocation for senior judge days. In addition, representatives of the Legislature who are aware of the adjustment have encouraged the SCS to explore options for meeting circuits' foreclosure senior judge needs and not letting the available days be exhausted by a circuit's ongoing needs.

To assess need and develop options for consideration by the TCBC for restoring all or part of the original foreclosure senior judge allocation for those circuits that anticipate needing days beyond what was provided in their adjusted July allocation, the Office of the State Courts Administrator (OSCA), with approval of the Chair, surveyed the circuits in September. Specifically, OSCA asked the circuits the following questions:

- Do you anticipate that your circuit will have any excess foreclosure senior judge days for FY 2014-15 that it could contribute to a statewide pool for possible reallocation to other circuits that anticipate a critical shortage? If so, how many days could your circuit contribute?
- Do you anticipate that your circuit will have any excess regular senior judge days for FY 2014-15 that it could contribute to a statewide pool for possible reallocation to other circuits that anticipate a critical shortage? If so, how many days could your circuit contribute?
- Does your circuit anticipate needing additional foreclosure senior judge days beyond the days provided to your circuit in the July adjusted allocation? If so, how many days do you anticipate needing?

Key findings from that survey are:

- 2 circuits indicated they could contribute days to a statewide pool. A total of 40 days is available for reallocation.
- 7 circuits indicated they needed additional days. A total of 555 days is needed.<sup>1</sup>
- Of the 20 circuits that responded, 5 indicated that they may be able to contribute some of their regular senior judge days to a statewide pool, but at this point and time they could not commit any days. These circuits indicated that in December or January they would have a better idea regarding their ability to contribute days to a statewide pool.

---

<sup>1</sup> The 555 needed days compares to the reduction of 1,028 foreclosure senior judge days that occurred through the July 2014 reallocation. Thus, the circuits have indicated that they can absorb more than 46 percent of the reduction.

Attachment B shows the distribution among the circuits of 555 additional senior judge days needed. If the TCBC were to meet the total identified need of 555 days (without any circuit internally reallocating its funds, without any circuit contributing to a statewide pool, and without tapping a reserve of approximately 80 senior judge days), the total dollar amount needed from other trial court budget sources is \$197,070. If the 40 days indicated as available for reallocation and an additional 50 days from the regular senior judge day reserve were utilized, the total resources needed could be further reduced to \$165,113.

Among the trial court statewide budget reserves from which funds could in theory be transferred to address circuit senior judge needs are due process, expense, and the mediation services categories. However, the transfer from expense and due process reserves is not recommended at this time due to the volatility of due process deficits. In contrast, the mediation services reserve traditionally has gone unexpended by the trial courts. Currently the amount in this reserve is \$363,382.

**Decisions Needed:**

- 1) Utilize 40 days indicated as available for reallocation by the Second and Fourteenth Circuits, utilize 50 days from the regular senior judge day reserve, and recommend that the Chief Justice submit a budget amendment to transfer \$165,113 from the mediation services category reserve to the regular senior judge category to be used for foreclosure and other senior judge needs as identified by the circuits. Upon approval of the budget amendment by the Chief Justice and Legislature, allocate the funds to seven circuits as additional senior judge days in accordance with the needs identified in Attachment B.
- 2) Do not take action at this time and revisit senior judge expenditure trends and assessment of circuit senior judge needs in January 2015, for consideration of an additional allocation or reallocation of days at that time.

**Trial Court Budget Allocation  
FY 2014-15**

**Mortgage Foreclosure Senior Judge Days - General Revenue  
Cost Center - 375**

Circuit	Proposed Allotment		New Allotment Reduced by 15.26%	
	Days Alloted	Allotment	Days Alloted	Allotment
1	221	78,472	187	66,496
2	112	39,769	94	33,700
3	0	0		
4	1,133	402,300	960	340,905
5	339	120,371	287	102,001
6	274	97,291	232	82,443
7	230	81,668	194	69,204
8	0	0		
9	675	239,676	571	203,099
10	150	53,262	127	45,134
11	430	152,683	364	129,382
12	300	106,523	254	90,266
13	836	297,150	709	251,802
14	144	51,131	122	43,328
15	470	166,886	398	141,417
16	180	63,914	152	54,160
17	450	159,784	381	135,399
18	256	90,900	216	77,028
19	150	53,262	127	45,134
20	345	122,501	292	103,806
<b>Total</b>	<b>6,695</b>	<b>2,377,543</b>	<b>5,667</b>	<b>2,014,704</b>

## Trial Court Budget Commission October 23, 2014 Conference Call

### Circuit Sr. Judge Day Need and Ability to Contribute Sr. Judge Days to Statewide Pool

Circuit	Foreclosure senior judge days available for reallocation	Regular senior judge days available for reallocation	Additional days that may be needed
1	0	0	21
2	0	20	0
3	0	0	0
4	0	0	173
5	0	0	52
6	0	0	0
7	0	0	0
8	0	0	0
9	0	0	147
10	0	0	47
11	0	0	85
12	0	0	0
13	0	0	0
14	20	0	0
15	0	0	0
16	0	0	0
17	0	0	0
18	0	0	0
19	0	0	0
20	0	0	30
<b>TOTAL</b>	20	20	555

**Notes:**

Circuits 1, 7, 8, 15, and 19 indicated a possibility to contribute either foreclosure or regular senior judge days to a statewide pool; however, the number of days available to contribute is unknown at this time.