

Trial Court Budget Commission
Meeting Minutes
April 13, 2015
Tallahassee, Florida



Attendance – Members Present

The Honorable Mark Mahon, Chair	Ms. Kathy Pugh
The Honorable Robert Roundtree, Vice Chair	Mr. Grant Slayden
The Honorable Catherine Brunson	The Honorable Elijah Smiley
The Honorable Jeffrey Colbath	Mr. Walt Smith
The Honorable Ronald Ficarrotta	The Honorable Bertila Soto
Mr. Tom Genung	The Honorable John Stargel
The Honorable Robert Hilliard	The Honorable Margaret Steinbeck
The Honorable Frederick Lauten	The Honorable Patricia Thomas
Ms. Sandra Lonergan	Mr. Mark Weinberg
The Honorable Thomas McGrady	Ms. Robin Wright
The Honorable Wayne Miller	
The Honorable Debra Nelson	

Attendance – Members Absent

The Honorable Diana Moreland	The Honorable Gregory Parker
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Special Note: It is recommended that these minutes be used in conjunction with the meeting materials.

Chair Mahon called the Trial Court Budget Commission (TCBC) meeting to order at 8:32 a.m. The roll was taken with a quorum present. Judge Mahon welcomed two new staff: Beatriz Caballero, Chief of Personnel and Lindsay Hafford, Resource Planning.

Agenda Item I: Approval of December 11, 2014, Meeting Minutes

Judge Mahon presented the draft meeting minutes from the December 11, 2014, TCBC meeting and asked if there were any changes necessary before approval. Walt Smith moved to approve the minutes as drafted. Judge Miller seconded and the motion passed without objection.

Agenda Item II: Status of FY 2014-15 Budget

A. Salary Budgets

1. Payroll Projections

Dorothy Willard provided an overview of the trial court salary budgets for FY 2014-15. The salary liability for the trial courts General Revenue/State Court Revenue Trust Fund was \$2.5 million under the salary appropriation. Judge Steinbeck recommended the TCBC review holds on hiring new employees for the annual budget and pay administration memorandum.

Ms. Willard reported the Administrative Trust Fund's salary liability was under by \$79,537 and the Federal Grants Trust Fund's liability was under the appropriation by \$45,822.

Chief Judge Discretionary Fund Analysis

Ms. Willard informed the members that as a result of several inquiries regarding the chief judge discretionary funds for circuit specific issues relating to retention and recruitment, additional policy considerations were required by the TCBC. Inquiries included: (1) if rate generated by vacant positions could be available to replenish those funds spent from the chief judge discretionary fund; (2) if unspent funds can be carried forward into the new fiscal year; and (3) if an employee that has received an increase leaves, can those funds be returned back to the circuit for redistribution.

At the direction of the chair, staff examined several methodologies and identified policy considerations; however, analysis indicated there was not an equitable and uniform process to redistribute funds back to the circuits. As a result, staff recommended the following:

- Since the funds are recurring, allow circuits to carry forward any unspent chief judge discretionary funds remaining as of June 30, 2015, for use in FY 2015-16;
- After the FY 2015-16 payroll projections are completed, determine if sufficient dollars are available for an additional rate distribution to be added to the chief judge discretionary fund to address retention and recruitment issues as they arise in the new fiscal year;
- Consider a policy regarding current year funds for when an employee vacates after a distribution has been made within 60 days, that those funds would be provided back to a circuit for redistribution; and
- Allow an amendment to the "Special Pay Issue Adjustment Certification" form to reflect the type of action being addressed in order to track those issues circuits continue to experience (retention or recruitment).

Walt Smith asked about the proposed timeframe on an additional rate distribution. Ms. Willard responded the implementation plan would be addressed at the July TCBC meeting or a special meeting to be held in August, once the payroll projections were completed for FY 15-16. Judge Mahon added it would also be dependent on the outcome of the second year funding request of the pay issue for FY 15-16.

Walt Smith moved to approve the staff recommendations. Judge Smiley seconded and the motion passed without objection.

2. Positions Vacant for More Than 180 Days

Beatriz Caballero provided a brief overview of the positions vacant for more than 180 days as of March 30, 2015.

3. Reclassification Actions

Beatriz Caballero provided an overview of the status of reclassifications and other personnel actions as of March 30, 2015. Twenty reclass requests totaling \$212,742 have been approved.

B. Operating Budgets

Dorothy Willard provided an overview of the operating budgets for FY 2014-15 as of March 31, 2015. She noted that to date, 75% of appropriations have been released and overall spending is currently below the threshold.

Ms. Willard reported that multiple circuits have experienced deficits in court reporting and expert witness due process contractual services categories and have depleted the statewide reserve. A notice will be sent to all circuits to active step 4 of the *Procedures for Addressing Deficits in Due Process Services Appropriation Category* and request the return of unobligated due process contractual services category funds to the statewide reserve. Mark Weinberg inquired if this action results in moving away from the practice of circuits asking other circuits for assistance. Ms. Willard reported that circuits have completed internal transfers (including assistance from other circuits) and budget amendments to mitigate their deficits.

Judge Colbath asked if the foreclosure senior judge allocation will revert after June 30th. Ms. Willard affirmed and added a reminder that some of the foreclosure days have been transferred for use in the regular senior judge cost center.

Remote Interpreting Regional Pilot – 15th Circuit Request

Patty Harris reported on this agenda item stating that the Due Process Technology Workgroup received a request for \$12,225 from the 15th Circuit to fund the purchase of remote interpreting equipment for one courtroom as part of the pilot. The workgroup

recommended approval of the request. Judge Lauten motioned to approve \$12,225 to be utilized by the 15th Circuit for the purchase of an additional courtroom endpoint within the remote interpreting regional pilot. Judge Miller seconded, and the motion passed without objection.

C. Trust Fund Cash Balances

Kris Slayden provided an overview of the revenue estimating conference projections and reported that general revenues were revised slightly upward and it is estimated there will be an available balance over \$1 billion for FY 2015-16. The Article V Revenue Estimating Conference met on February 17, 2015, and State Courts Revenue Trust Fund (SCRTF) estimates were revised downward, due primarily to decreasing revenues associated with foreclosure filings, to \$81.4 million. Ms. Slayden added that both the House and Senate have provided funding through back-of-the-bill appropriations for FY 2014-15 to repay the loan that was received to address the SCRTF shortfall. The House and Senate also have proposed funding shifts, although each has a different technical method and amount.

1. State Courts Revenue Trust Fund

Dorothy Willard provided an overview of the trust fund cash balance through March 31, 2015 for FY 2014-15. She noted that as reported at the last meeting, a \$14 million deficit was projected at year end. The chief justice secured a loan for the State Courts Revenue Trust Fund (SCRTF) in accordance with 215.18(2), F.S. As a result, the fund is no longer projecting a deficit and the estimated ending balance based on current data was \$617,952.

Kris Slayden provided an overview of the Office of the State Courts Administrator's projected cash balance for FY 2014-15 and FY 2015-16 in the SCRTF. In FY 2014-15, both the House and Senate have provided funding through back-of-the-bill appropriations for FY 2014-15 to repay the loan that was received to address the SCRTF shortfall. The House and Senate have proposed fund shifts from SCRTF to General Revenue (GR) to address the deficit. Without the fund shift, and assuming the revenues come in as projected, the estimated ending cash balance deficit for FY 2015-16 was \$18.2 million.

2. Administrative Trust Fund

Dorothy Willard provided an overview of the trust fund cash balance through March 31, 2015 for FY 2014-15. She noted that the due process cost recovery funds collected by the circuits are deposited in this fund. The estimated ending cash balance was \$1,290,916.

D. End of Year Spending

Dorothy Willard reported on this agenda item and stated that in the past the trial courts pooled funds close to year end for refresh of court reporting equipment when available. An

end of year spending plan will not be considered this year due to increases in due process expenditures, particularly in the expert witness and court interpreting elements. Ms. Willard added that no holdbacks or cash flow issues were projected and recommended that circuits proceed with their individual spending plans.

Agenda Item III: Conflict Counsel Cases Over the Flat Fee

Jessie McMillan provided an overview of the conflict counsel cases over the flat fee payments, noting that FY 2014-15 expenditures are estimated to be approximately \$7.2 million, an increase of over \$363,669 from FY 2013-14 expenditures. If expenditures continue at their current levels, FY 2014-15 expenditures will represent the highest expenditures since the establishment of the flat fees. The majority of FY 2014-15 expenditures are related to Capital and RICO cases, with 69.7% of fiscal year to date expenditures associated with these case types.

Walt Smith stated that attorney submissions are not questioned and no one is held accountable for those submissions unless a judge reviews. Judge Mahon agreed the current situation is problematic and the Justice Administrative Commission does not have much authority. Judge Roundtree stated the chief judges still have authority over the registry.

Agenda Item IV: Foreclosure Backlog Reduction Initiative

Lindsay Hafford provided an overview of the Foreclosure Backlog Reduction Initiative for FY 2014-15. She noted the remaining old cases are the complex cases that require more time; the number of foreclosure filings have decreased and January 2015 filings are close to a normal year's number; and dispositions continue to outpace filings. Ms. Stafford also reported that almost all circuits have implemented the Court Application Processing System (CAPS) viewers.

Judge Mahon stated that any unspent foreclosure backlog reduction initiative funds will revert at the end of this fiscal year. A continuing legislative budget request issue was not filed due to the projected progress of the initiative and declining pending cases; however, feedback from the banks suggest an increase in filings. Judge Mahon will communicate the banks' concerns to the legislature. He added that the initiative was very successful and noted the trial courts have asked for additional case managers in FY 2015-16 to continue current processes.

Agenda Item V: Update on Technology Funding Strategies Workgroup

Judge Roundtree reported the Florida Supreme Court adopted the *Florida Trial Court Technology Strategic Plan: 2015-2019* and adopted the supplemental legislative budget request for FY 2015-16. The court clerks have also developed a plan and met with court representatives in February to review.

Agenda Item VI: Update on 2015 Legislative Session

Judge Mahon reported that the TCBC legislative team is working very diligently at the capitol. Currently the House and Senate are experiencing differences regarding Medicaid funding. Until

an agreement can be reached, the budget conference process is stalled. There have been talks of a special legislative session.

A. House and Senate Budget Proposals

Dorothy Willard provided a brief overview of the House and Senate budget proposals compared to the state courts system legislative budget request. She noted that both the House and Senate includes proviso language for funding to address the deficit projected in the State Courts Revenue Trust Fund.

1. Implementing Bills

Eric Maclure provided an overview and reviewed the impact of the House and Senate bills to implement provisions in their respective FY 2015-16 general appropriations acts, which is comparable to the annual trial court budget and pay administration memorandum.

2. Conforming Bills

Eric Maclure provided an overview and reviewed the impact of the House and Senate conforming bills, which enacts policy changes over a longer term.

B. Pay Issue for Judges and State Courts System Staff

Judge Mahon reported on this agenda item and reminded the members that the pay issue is a branch wide issue. The conferences of court judges address pay and benefits issues for judges, not the TCBC. The TCBC advocates pay and benefits issues on behalf of court system staff.

Judge Stargel reported that the pay issue is not included in the House and Senate proposed budget and may be addressed in the budget conference process. Judge Brunson asked if the issue will be submitted next year if not funded this year. Judge Stargel stated the issue funds the second year of a two-year implementation plan and the TCBC will have the opportunity to make recommendations for next year's legislative budget request if not funded this year. Walt Smith asked if all state employees were going to receive a pay increase. Judge Mahon replied there have been no talk of raises and agreement by the House and Senate on the budget is still far away. Judge Mahon added that the legislature knows the courts' top two priorities are pay and technology.

C. Pay and Benefits/Retirement Legislation

Beatriz Caballero provided a brief overview of the pay and benefits section of the House and Senate budget proposals.

Eric Maclure provided an overview of House Bill 7097 that revises the State Group Insurance Program. He also provided a brief overview of Senate Bill 7042 regarding reenrollment in the Florida Retirement System.

D. Other Significant Legislation

Kris Slayden provided a brief overview of the committee substitute for Senate Bill 1080 regarding clerks of the circuit courts funding.

Agenda Item VII: Judicial Conference, TCBC, and Other Legislative Outreach

Judge Mahon reported on the activities of the TCBC legislative team. Judge Colbath reported on the activities of the Conference of Circuit Court Judges, and Judge Hilliard reported on the activities of the Conference of County Court Judges. Judge Stargel reminded the TCBC members to let staff know when meeting with legislators. The chief justice has authorized six judges only to speak on judges' pay and benefit issues.

Agenda Item VIII: FY 2016-17 Legislative Budget Request Time Line

Dorothy Willard provided an overview of the FY 2016-17 legislative budget request (LBR) time line. She noted that 2016 legislative session begins in January instead of March. Subcommittee meetings will potentially start in September 2015. The LBR is normally due in October and in 2016, the LBR will be due in September. As a result of the earlier session and LBR due date, the LBR timeline is set and the dates were accelerated. Ms. Willard encouraged all circuits to start reviewing their needs for new building and/or building expansion furnishings, and not to wait until the LBR instructions are distributed to the circuits in mid-June.

Agenda Item IX: Report from Chief Justice Designee to the Clerks of Court Operations Corporation Executive Council

Judge Ficarrota reported attendance at the Clerks of Court Operations Corporation Executive Committee meetings.

Adjournment

Chair Mahon announced the next meeting will be held on Friday, June 12, 2015 in Orlando. With no other business before the commission, the meeting adjourned at 10:30 a.m.