

**District Court of Appeal Budget Commission  
Meeting Minutes  
November 17, 2009**

**Members Present**

Judge David Monaco, Chair	Judge Stevan Northcutt
Judge Carole Taylor, Vice-Chair	Judge Juan Ramirez Jr.
Judge Robert Benton, II	Judge Linda Wells
Judge Paul Hawkes	Judge Robert Gross
Judge Darryl Casanueva	Judge Richard Orfinger

**Others Present**

Justice Ricky Polston	Marshal Glen Rubin
Marshal Stephen Nevels	Marshal Ty Berdeaux
Marshal Jo Suhr	Lisa Goodner
Marshal Dottie Munro	OSCA Staff

Judge David Monaco called the District Court of Appeal Budget Commission (DCABC) meeting (via video conference) to order at 1:31 p.m.

**Welcome and Opening Remarks**

Judge Monaco opened the meeting by welcoming all Commission members and Justice Ricky Polston to the meeting.

**Approval of September 2, 2009 Meeting Minutes**

Judge Casanueva moved to approve the September 2, 2009, DCABC meeting minutes. Judge Northcutt seconded the motion. With no opposition, the minutes were approved unanimously.

**State Courts Revenue Trust Fund Cash Balances Update**

Charlotte Jerrett briefed the Commission on the status of the State Courts Revenue Trust Fund (SCRTF) as of October 31, 2009. Ms. Jerrett noted the total fee revenue received, the total fine revenue received, total expenditures, and the cash balance of \$59,046,888.61.

Judge Monaco pointed out that this was an interesting issue. It is anticipated that the revenues generated by foreclosure filing fees will begin to decrease as the economy improves. The branch must work together to come up with a method to fill the gap created by decreases in revenue collections. That discussion will be saved for another meeting.

### **Report from November 16 Article V Revenue Estimating Conference**

Judge Orfinger asked if the figures presented in this item coincide with original projected expectations. Kris Slayden explained that the previous day (November 16) the Revenue Estimating Conference adjusted the original projection of \$279 million upwards to \$428 million. The increase of \$148.7 million is based on the first four months of collections as well as other economic indicators. The current projected cash over obligations is \$137 million. The estimates for FY 2010-11 have been adjusted from \$214 million to \$380 million with \$92.5 million for FY 2010-11 in cash over obligations. OSCA staff will continue to monitor all revenue estimates made by the Office of Economic and Demographic Research (EDR).

### **Discussion of Governance for Excess Cash Balances**

Ms. Jerrett informed the commission that current forecasts indicate that at the end of the FY 2009-10, there may be a significant cash balance in the SCRTF. There is currently no governance structure in place to determine how these funds should be used.

Judge Monaco asked if excess cash is restricted or if it can be used for Salaries and Benefits. Judge Ramirez asked if this decision will be made by the DCABC or if the District Courts will be placed in the same pot with the other courts. Ms. Jerrett explained that all of the courts are combined and funded from one fund. Expenditures are separated by category. For all trust funds, spending must be done within the authority set by the legislature, and the legislature must also approve any increases to spending authority. The DCABC should consider identifying a methodology to address the governance of excess cash balances.

Judge Monaco asked if the Legislature monitors the SCRTF which he is confident that they will do, do they have the option to sweep excess funds into General Revenue? Ms. Jerrett confirmed that pursuant to statute, all trust funds are subject to being swept by the Legislature.

Judge Monaco asked if the courts could use some excess cash from the SCRTF to avoid the 10% budget cut. State Courts Administrator Lisa Goodner explained that yes, we could avoid cuts and that the priority for excess cash balances should be to maintain current court operations. In December, she will be testifying before the Legislature as to the courts reduction priorities based on a 10% reduction calculation. Based on instructions from the legislature, the Branch would be required to cut \$42 million which equates to 681 FTE positions, which is a 25% reduction of the Branch's workforce. Ms. Goodner stated that this must be avoided. Filing fees have been collected that are designated for court operations, so there is no justification for cutting the State Court System's budget. The focus should be placed on not reducing the current budget as well as protecting any excess cash balances. She believes that the Florida Bar will support the Branch on these issues.

Judge Monaco asked if the courts' major legislative committees had been addressed regarding this issue. Ms. Goodner explained that she has spoken with Representative Sandy Adams and that Representative Adams was generally supportive. She has indirectly gone over the financial figures with Senator J.D. Alexander. Both sides seem to be excited about the good news with the performance of the SCRTF. Currently, the Branch is in a more favorable position than other state agencies. In December, all appropriation committee members in both the House and Senate will be contacted and informed about these issues, in an attempt to avoid having to fill other state revenue gaps with these funds.

Judge Ramirez stated that he had heard the clerks were trying to get back the revenue they had lost. Ms. Goodner clarified that the revenue generated is mostly from the increase in filing fees but that roughly \$46 million was redirected from the Clerks' budgets to the SCRTF. Judge Monaco asked if the Clerks have made an issue of their funding loss. Ms. Goodner stated that there have not been any public statements made about the fund shift only about reestablishing the Clerks' budgets to previous funding levels.

Judge Monaco asked what actions are requested of the Commission regarding this issue. Ms. Jerrett explained that the issue is informative and requires no formal action by the DCABC.

### **10% Legislative Reduction Exercise – Schedule VIII B**

Ms. Jerrett began by explaining that all state entities have been asked to provide information addressing funding priorities resulting from a 10% reduction of the FY 2009/10 base budget. She reiterated that this hypothetical reduction equates to roughly 681 FTE positions, as mentioned by Ms. Goodner earlier in the meeting. Ms. Jerrett noted that this changes the FTE number on the chart that was distributed. The FTE number was adjusted to 681 to take judges out of the calculation since our General Revenue (GR) appropriation consists almost exclusively of judicial salaries. As the Governor's office is building their proposed budget, Ms. Goodner has been discussing these reductions and the possibility of using excess cash to fill the 10% reduction amount requested by this exercise. Ms. Goodner reviewed figures outlining the target reductions required by the exercise. Since the majority of the Branch's GR fund is comprised of judicial salaries, the \$13.2 million target reduction cannot be taken in GR. It has been proposed to take the entire \$42 million target reduction from the SCRTF to include the \$13.2 million amount calculated from GR. If the Legislature requires that reductions be made, judgeships will not be given up.

Judge Monaco asked with the current favorable financial posture, whether the DCABC needed to perform any additional reduction exercises. Ms. Goodner confirmed that at this time, the

DCABC does not have to go through any reduction scenarios. Judge Northcutt asked when the Schedule VIII B must be submitted to the Legislature. Ms. Goodner explained that the VIII B was due with the LBR in October, but that the branch does not typically submit this schedule as part of the LBR.

### **Discussion of FY 2010/11 LBR Priority Issues**

Judge Monaco stated that he is most concerned with protecting excess cash. The most important issues are saving salaries, using non-recurring funds wherever possible, and elevating life safety and security issues over all else. He then opened the floor for discussion of funding priorities for FY 2010-11 budget issues. Judge Monaco pointed out that in his opinion the most important issues are fully funding the Judicial Branch Pay Plan, fully funding the Salary Budget, and restoring Judicial Compensation. Judge Monaco asked if any members disagreed. All members agreed.

Judges Hawkes reported that the First DCA does not consider the \$3.5 million requested for new furniture, fixtures, and equipment (FF&E) in the new courthouse building as a priority. He stated that funding electronic filing is more important to his court at this time; he did not request the First DCA's Capital Improvement Plan issue to be a priority.

Judge Monaco stated the Fifth DCA's request for building renovations should not be considered a priority.

Judge Ramirez identified the Third DCA's Life Safety Remediation issues as a priority. He also stated that of the \$3.5 million requested for building remodeling, only \$1,375,400 should be considered the priority, if it becomes necessary to cut back on their request.

Judge Gross explained the Fourth DCA's issue for Carpet Replacement. He informed the Commission that he was willing to postpone the request submitted for Carpet Replacement in order to file another issue for \$90,000 to remediate problems with the courthouse's air conditioning system.

Ms. Jerrett explained that new issues can be filed after the supplemental LBR instructions are released, sometime in late January or early February.

Judge Casanueva explained the Second DCA's funding priorities. He reported that funding the A/C renovation issue is the first priority but that of the \$400,312 requested, only \$205,000 is needed as a necessity. He also listed the Building Renovations first-year funding and Court Security Enhancements issues as funding priorities.

Judge Monaco asked for confirmation that the issues will be prioritized as follows:

Judicial Branch Pay Plan

Judicial Compensation (2% Restore)

Full Funding of Salary Budget

Appellate Court Security Enhancements – Second DCA

DCA A/C Renovation – Second DCA

DCA Building Renovations- Second DCA

Life Safety Issues Remediation – Third DCA

Remodeling of Court Building for Security and Core Systems Upgrade – Third DCA

Air Conditioning- Fourth DCA to be submitted as a supplemental

Ms. Goodner reiterated that the full request amount for these issues will be pursued. Reducing the building issues prioritized by the Second and Third DCA's will be held back and offered only if necessary.

There being no further business, the meeting adjourned at 2:15