

**Revenue Estimating Conference
Article V Fees & Transfers
Executive Summary
December 14, 2021**

Revenue collections for Article V Fees and Transfers during the five-month period following the Revenue Estimating Conference held on July 21, 2021, were mixed relative to the estimates adopted for FY 2021-22. County Court was a combined 14.9% above estimate; Circuit Court Other was -8.0% below estimate; Family Court was 0.5% above estimate; Traffic Court was -1.8% below estimate; and the miscellaneous collection of Other was -6.0% below estimate. Foreclosure Filings are treated separately and were close to the activity level forecasted by the prior conference, however; the claims mix was weighted more heavily than anticipated toward the lower level claims category resulting in revenue loss to the Circuit Courts of -36.5%. The net gain across the judicial system (County Court, Circuit Court, Family Court, Traffic Court and Clerks of Court) led to a combined overage of \$0.7 million, or 0.3%.

Adopted December 14, 2021, the new forecast for Article V Fees and Transfers was revised mostly downward relative to the previous forecast for fiscal years 2021-22, 2022-23, 2025-26, and 2026-27. The new forecast was mostly revised upward for fiscal years 2023-24 and 2024-25. The revised estimates reflect actual year-to-date revenue performance, the court’s most recent reopening plan, and other factors related to the pandemic. As a result, the forecast did not change for four revenue categories: Removal of Tenant Action; Traffic Court Allocated Civil Penalties; Family Court Base Fees, and Counterclaims. The forecasts for Family Court Marriage Dissolution; Circuit Court Probate; and Other Revenue to the Clerk were increased through the forecast period. In contrast, County Court Claims above \$15,000; Violations/Red Light Ticket/Unlawful Speed; Circuit Court Base Fees; Appeals; and Mediation/Marriage License/Other were decreased throughout their forecasts. The change relative to prior forecast was mixed among increases, no changes, and decreases for the remaining categories: County Court Claims above \$5000 and below \$15,000; County Court Foreclosure, County Court Additional Fees; Circuit Court Additional Fees; Foreclosure Base Fee; Foreclosure Variable Fee; 10% of Fines to the Clerks of Court; and Chapter 2008-111 Fees.

The most significant change to the overall forecast related to foreclosure filings. The filings in FY 2019-20 and FY 2020-21 were suppressed by both the temporary court office closings and the moratoriums on foreclosures issued at both the state and federal level—a trend that is expected to continue for the first half of FY 2021-22. The Conference also acknowledged the near-term decline in the actual number of homes in serious delinquency or foreclosure status. Nevertheless, a significant portion of the delayed activity is still anticipated to return during the latter part of FY 2021-22 and FY 2022-23. As a result, the Conference reduced projected foreclosure filings in FY 2021-22 (-3,112) and FY 2022-23 (-3,342) while still maintaining elevated monthly levels. Over the longer term, the Conference recognized that the heightened foreclosure activity throughout most of the decade, coupled with significant refinancing opportunities in the last few years, will likely lead to suppressed levels for years to come. The annual changes to filings (both to the new forecast and to the pre-pandemic forecast) are shown below:

Foreclosure Filings	March 2021 REC	July 2021 REC	Forecast Diff	Diff to Pre-Pandemic
2021-22	52,605	49,493	(3,112)	4,448
2022-23	65,306	61,964	(3,342)	16,502
2023-24	51,120	51,124	5	5,246
2024-24	51,678	51,672	(6)	5,377
2025-26	52,150	47,295	(4,855)	n/a
2026-27	52,568	48,295	(4,273)	n/a

The Conference also discussed several issues involving the clerks of court. Most importantly, state law (s. 28.37(3)(b)2, F.S.) requires that not less than 50% of the cumulative excess of all fines, fees and charges be transferred to General Revenue no later than February 1, 2022 and each year thereafter. Based on the new forecast, \$12.2 million is expected to be transferred by the February 2022 deadline and \$1.0 million is expected to be transferred by the February 2023 deadline.

Cumulatively, the Article V revisions resulted in a loss to the overall forecast for FY's 2021-22, 2022-23, 2025-26, and 2026-27, with increases in the two intervening years (FY 2023-24 and FY 2024-25). The impact on specific funds, however, varies in both size and direction. For the major funds, the new forecast results in the following near-term changes:

- Direct receipts into the General Revenue Fund were decreased by -\$3.8 million in FY 2021-22 and by -\$2.0 million in FY 2022-23. In addition to the direct receipts, the prior forecast projected a transfer of \$11.1 million from the Clerks in FY 2021-22 and no transfer in FY 2022-23, while the new forecast includes a transfer of \$12.2 million during FY 2021-22 and \$1.0 million in FY 2022-23. Combining the two sources of revenue, the net change relative to the July forecast for FY 2021-22 is a decrease of -\$2.7 million while the change for the FY 2022-23 forecast is a decrease of -\$1.0 million.
- The State Courts Revenue Trust Fund was decreased by -\$3.6 million in FY 2021-22 and decreased by -\$4.2 million in FY 2022-23.
- The Clerks of Court Trust Fund was unchanged in both FY 2021-22 and FY 2022-23.
- The Clerks' Fine and Forfeiture Funds was increased by \$3.9 million in FY 2021-22 and increased by \$0.5 million in FY 2022-23.