

The Impact of Revision 7 on Funding State Courts

In 1998, 67% of Florida’s electorate voted to approve what is known as “Revision 7” for inclusion in Florida’s Constitution—more technically, section 14 in Article V of the Florida Constitution.¹ “Revision 7 had two purposes: to relieve local governments of the increasing cost of subsidizing the trial courts and to ensure equity in court funding across each county in the state.”²

Revision 7 changed both ways and means of Florida court funding.³ Before Revision 7, only appellate courts were fully funded by the state.⁴ As to the trial courts, only the “salaries of judges and their assistants” were paid by the state.⁵ Otherwise, trial courts at both circuit and county levels received the majority of their funding from county commissions, which are elected by voters in each of Florida’s 67 counties.⁶ Revision 7 “required that both appellate courts and the trial courts be funded through State appropriation, thus equalizing funding levels across county lines.”⁷ “The funding transition occurred seamlessly, but not without several legislative enactments prior to the transition that provided the structure for the newly constituted trial court system.”⁸

However, implementing Revision 7 was not without challenges. When a state’s economy is booming, its sales tax and property tax revenue increase, causing the general revenue fund to

¹ *History of Court Processes, Programs, and Initiatives*, FLA. COURTS, <https://www.flcourts.org/Publications-Statistics/Publications/Short-History/Delivering-Justice> (last visited Mar. 26, 2022) [hereinafter *History of Court Processes*].

² *Id.*

³ *See id.*; *History of Court Funding*, FLA. COURTS, <https://www.flcourts.org/Administration-Funding/Court-Funding-Budget/History-of-Court-Funding> (last visited Mar. 26, 2022).

⁴ *History of Court Funding*, *supra* note 3.

⁵ *History of Court Processes*, *supra* note 1; *History of Court Funding*, *supra* note 3.

⁶ *History of Court Processes*, *supra* note 1; *History of Court Funding*, *supra* note 3.

⁷ *History of Court Funding*, *supra* note 3; *accord History of Court Processes*, *supra* note 1.

⁸ *History of Court Funding*, *supra* note 3.

flourish, and thereby (in OSCA’s words) “giving rise to a healthy budget.”⁹ But when the economy stalls and retreats, “every entity that depends on state funding—including the courts—feels the squeeze.”¹⁰ In addition, “as court services were being reduced or eliminated, citizens and businesses were turning to the courts in greater numbers.”¹¹

During Florida’s 2007-08 and 2008-09 fiscal years, the state—as the rest of the country—experienced a severe economic downturn.¹² This caused the state’s general revenue fund to plummet; “the court budget suffered a 12% reduction,” which resulted, “in the elimination of nearly 300 staff positions, a hiring and travel freeze, a reduction of the number of judicial education programs and a suspension in the work of numerous court committees.”¹³

Also during that time, as a result of the state of the economy, foreclosure filings were increasing, which “had both direct and indirect economic consequences, further destabilizing Florida’s already fragile financial state. To ensure the timely administration of justice and to safeguard the viability of the courts system, branch leaders began advocating the adoption of budgeting practices that would better stabilize the operations of the courts during periods of fiscal crisis.”¹⁴ In January 2009, Florida lawmakers decided that the best way to bring financial stability to the courts was by creating a State Courts Revenue Trust, “which they bolstered with higher filing fees and fine revenues.”¹⁵

Foreclosure filings continued to rise, which caused a significant increase in revenue to the trust fund.¹⁶ In reaction, “the legislature designated foreclosure filing fees as the principal source

⁹ *History of Court Processes*, *supra* note 1.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*

of revenue for the trust fund.”¹⁷ This shifted the courts from being primarily general-funded to being primarily trust-funded.¹⁸ In the first year after this change was instituted, fiscal year 2009-10, the court budget was “70 percent trust-funded; in fiscal years 2010-11 and 2011-12, it was 90 percent trust-funded.”¹⁹

However, in October 2010, foreclosure filings fell from approximately 30,000 per month “to fewer than 9,000 per month.”²⁰ This “monumental drop caused a huge shortfall in the trust fund, and when the trust fund was insufficient to support the branch’s appropriated budget, the chief justice had to secure emergency funding from the governor and legislature.”²¹

In 2012, Florida lawmakers, moved to restore financial stability to Florida’s court system by returning to general revenue as the primary source of court funding.²² By fiscal year 2014-15, the State Court System (SCS) was receiving 78% of its funding from the state’s general revenue and 22% from the trust fund.²³ That margin has continued to grow. In fiscal year 2015-16, SCS received 81% of its funding from general revenue and 19% from the trust fund.²⁴ In fiscal year 2016-17, 83% of the SCS budget derived from general revenue and the remaining 17% was derived from the trust fund.²⁵

According to OSCA, the SCS received a total budget for fiscal year 2021-22 of \$667,223,975, from the state’s General Appropriations Act.²⁶ Of those funds, \$557,308,450 or

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ *History of Court Funding*, *supra* note 3, at p.3.

²⁶ *State Courts System Funding: Fiscal Year 2021-2022: Summary of Funds*, FLA. COURTS, [https://www.flcourts.org/content/download/789118/file/\(2\)FY21-22BudgetPieChartSCSByFundLessVetoes.pdf](https://www.flcourts.org/content/download/789118/file/(2)FY21-22BudgetPieChartSCSByFundLessVetoes.pdf).

83% came from the state's general fund and \$114,915,525 or 17% came from trust fund accounts.²⁷

While Revision 7 assisted with equalizing funding to Florida's SCS, counties still shoulder some of the costs for Florida's SCS.²⁸ Indeed, Revision 7 (*i.e.*, Article V, section 14, of the Florida Constitution) assigns counties responsibility for funding certain communications, facilities, and salary costs.²⁹

Challenges

According to Susan Emmanuel, OSCA's Communications Director, OSCA currently faces three primary challenges: (1) the recruitment, hiring, and retention of a talented workforce; (2) resolving the backlog of cases resulting from the pandemic; and (3) the possibility that the Governor will retreat from signing the bill to approve the budget to establish the new Sixth District Court of Appeal on January 1, 2023.

Additional information about Revision 7 can be found in the following research studies:

1. Joseph Ferrandino, *The Impact of Revision 7 on the Technical Efficiency of Florida's Circuit Courts*, JUSTICE SYSTEM'S J., 33, No. 1, 22-45 (2012);
2. Karen H. Samuel, *The Examination of the Impact of Revision 7 on Governance in the Florida State Courts System: A Dissertation submitted to the Askew School of Public Administration and Policy in partial fulfillment of the Doctor of Philosophy* (2015).

²⁷ *Id.*

²⁸ Email from Susan Emmanuel, OSCA's Communications Director, to Author (on file with Author).

²⁹ Art. V, § 14(c), Fla. Const. ("Counties shall be required to fund the cost of communications services, existing radio systems, existing multi-agency criminal justice information systems, and the cost of construction or lease, maintenance, utilities, and security of facilities for the trial courts, public defenders' offices, state attorneys' offices, and the offices of the clerks of the circuit and county courts performing court-related functions. Counties shall also pay reasonable and necessary salaries, costs, and expenses of the state courts system to meet local requirements as determined by general law."); *see* §§ 29.008, 29.0081, Fla. Stat. (providing details of funding court function).