

## 2020-2021 Budget

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## Executive Budget Summary

The Florida Courts E-Filing Authority (Authority) is in a strong financial position for the future. Since 2016, unrestricted net assets have grown by more than \$4 million. This growth has led to cash balances that are now over \$4 million. This financial stability is more important than ever, due to the level of uncertainty regarding the future business impacts from COVID-19.

In February of 2020, revenues were on pace for a record year. Without the nationwide business interruptions realized from Covid-19, revenues would have likely increased by 4.4% to \$7.9 million. However, due to the impact of the Executive Orders of the Governor and Supreme Court orders delaying court activities, revenue estimates are now projected to decrease by 1.5% to \$7.5 million for 2019-2020. In April, revenues recorded for filing fees dropped \$182k or 27% below monthly averages. Activity during May has shown only slight improvement from these April lows. The downturn experienced during April and May has led FCCC finance staff to recommend reductions in revenue for 2020-2021.

During 2020-2021, FCCC finance staff is projecting filing revenues to decrease by 4% to \$7.17 million. This estimate was calculated by projecting small growth of 1 to 2 percent in filing volumes for May and June of 2020, then by increasing volume 3% each month until filing fees return to averages experienced early in 2019-2020. In this projection, the volume levels will return to previous year averages by January of 2021.

For the fiscal year 2020-2021, FCCC finance staff is projecting expenses for contractual services to remain consistent with the prior year budget request. In total, expenses for the Authority are projected to increase by \$40k.

The largest expense in the Authority budget is merchant fees, which account for \$3 million or 43% of total expenses. The second-largest expense is the cost incurred for contract services, which encompasses the Florida Association of Court Clerks billings. The contract services cover the cost to operate and maintain the Portal. The expenses incurred by the Association are billed to the Authority at cost. A breakdown of these expenses is shown below:

- 1) **I31 – E Filing Statement of Work** – Technological enhancement/Maintenance of the Program at a cost of \$2.7 million
- 2) **P33 – Portal Service Desk** – Customer service for Portal users at a cost of \$855k
- 3) **P34 – E Filing Operating** – Management/Admin of the program at a cost of \$346k
- 4) **D12 – E Filing Operating** – Management/Admin, consulting and travel at a cost of \$91k



At the end of the year, if revenues are consistent with the projections, the Portal will realize a net income of \$113k. The hope for the future would be that this budget year stands out as an abnormality and that revenue numbers would fully return next year. However, if the financial impact of Covid-19 continues into future years, the Authority is in a strong financial position that will allow for continued operations.

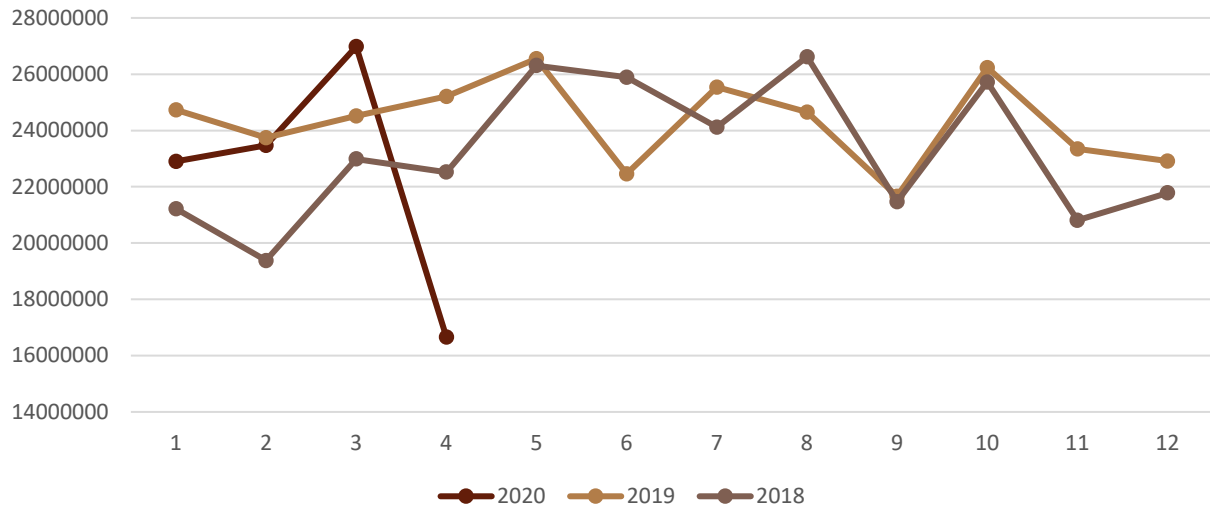
**E Filing Authority**  
**Statement of Activities**  
**Combined Operations**

A	B	C	D	(D-E)	F	G	(F-G)
Line #	Description	2020-21 Budget	2019-20 Budget	\$ Change Favorable / (Unfav.)	2019-20 Budget	2019-20 Forecast	\$ Variance Favorable / (Unfav.)
<b>Revenues</b>							
411000	Interest Income	10,000	60,000	(50,000)	60,000	52,090	7,910
412000	Statutory Convenience Fees	7,166,233	8,077,882	(911,649)	8,077,882	7,454,388	623,494
412250	Batch Application Fees	2,000	2,000	-	2,000	2,000	-
412260	Third party Batch Filing Fees	10,000	10,000	-	10,000	11,550	(1,550)
	<b>Total Revenue</b>	<b>7,188,233</b>	<b>8,149,882</b>	<b>(961,649)</b>	<b>8,149,882</b>	<b>7,520,028</b>	<b>629,853</b>
<b>Expenses</b>							
602000	Audit Services	27,000	27,000	-	27,000	27,000	-
602550	Contract Services	3,609,381	3,585,021	(24,360)	3,585,021	2,960,591	(624,430)
603100	Merchant Fees	3,031,566	3,019,057	(12,509)	3,019,057	3,234,801	215,744
603200	Bank Analysis Fees	70,000	70,000	-	70,000	60,168	(9,832)
603400	Accounting & Banking Services	276,309	353,088	76,779	353,088	230,060	(123,028)
614100	Insurances	1,100	900	(200)	900	1,013	113
619100	General Legal	60,000	60,000	-	60,000	50,000	(10,000)
	<b>Total Expenses</b>	<b>7,075,356</b>	<b>7,115,066</b>	<b>39,710</b>	<b>7,115,066</b>	<b>6,563,633</b>	<b>(551,433)</b>
	<b>Net Income</b>	<b>112,877</b>	<b>1,034,816</b>	<b>(1,001,359)</b>	<b>1,034,816</b>	<b>956,395</b>	<b>78,420</b>



E-Filing Authority

### Portal Throughput by Calendar Year



**E Filing Authority  
Budget Variance Explanations  
Fee Revenue**

	<b>2020-21 Budget</b>	<b>2019-20 Forecast</b>	<b>2020-21 Increase/(Decrease)</b>	<b>% Increase</b>
Statutory Convenience Fees	7,166,233	7,454,388	(288,155)	-4%
<b>Fee Revenue</b>	<b>7,166,233</b>	<b>7,454,388</b>	<b>(288,155)</b>	<b>-4%</b>

**Variance Explanations**

1) During 2020-21 we are projecting revenues to decline due to unknown activity levels from Covid-19. Although we do expect that volume will increase and eventually recover, to be conservative, we are estimating that revenues will gradually incline and return to previous averages by January 2021. This forecast results in a decrease in filing fees of 4% over the prior year.

**E Filing Authority  
Budget Variance Explanations  
Program Costs**

	<b>2020-21 Budget</b>	<b>2019-20 Forecast</b>	<b>2020-21 Increase/(Decrease)</b>	<b>% Increase</b>
Contract Services	3,609,381	2,960,591	648,790	22%
Merchant Fees	3,031,566	3,234,801	(203,235)	-6%
Accounting & Banking Services	276,309	230,060	46,249	20%
<b>Operating Expenses</b>	<b>6,917,256</b>	<b>6,425,452</b>	<b>491,804</b>	<b>8%</b>

**Variance Explanations**

- 1) The increase in contract service fees is from increased personnel costs due to filling vacant positions that support portal operations, an increase in contractual support for maintenance and an increase in Network Allocations for improved connections.
- 2) As filing volume is expected to decline, so to will merchant fees.
- 3) Accounting and Banking service costs are increasing due to full staffing and increased allocations.

## E Filing Infrastructure Allocations

	Central Site - Megabytes used		Network - Gigabytes Used		Service Desk - Call Volume		Marketing - DL Hours	
		\$		\$		\$		\$
<b>I13 CCIS</b>	42.30%	\$ 1,146,135	18.73%	\$ 311,231	7.7%	\$ 109,158		
<b>I31 Efiling</b>	30.30%	\$ 820,990	48.72%	\$ 809,566				
<b>P02 MFC</b>	6.40%	\$ 173,410	1.41%	\$ 23,430	3.1%	\$ 43,947		
<b>P03 Clerc</b>	8.90%	\$ 241,149	14.67%	\$ 243,767	40.8%	\$ 578,396		
<b>P06 TCATS</b>	2.80%	\$ 75,867	1.77%	\$ 29,412	4.0%	\$ 56,705		
<b>P19 ORI</b>					2.5%	\$ 35,441		
<b>P21 Clericus</b>					12.0%	\$ 170,116		
<b>P22 Jury</b>					1.8%	\$ 25,517		
<b>P25 Non</b>	7.00%	\$ 189,668	11.00%	\$ 182,784	11.7%	\$ 165,864	30.00%	\$ 155,277
<b>P32 MPP</b>	2.30%	\$ 62,319	3.70%	\$ 61,482	16.4%	\$ 232,492	70.00%	\$ 362,313
<b>Total</b>	100.00%	\$ 2,709,539	100.00%	\$ 1,661,671	100.0%	\$ 1,417,637	100.00%	\$ 517,590