

# Fiscal Note & Local Impact Statement

123<sup>rd</sup> General Assembly of Ohio

BILL: H.B. 138 DATE: May 25, 1999  
STATUS: As Introduced SPONSOR: Rep. Schuck  
LOCAL IMPACT STATEMENT REQUIRED: No — Minimal Cost  
CONTENTS: Provide quality assurance for trauma care and to make other changes in the laws regarding emergency medical services and fire services.

## State Fiscal Highlights

STATE FUND	FY 2000	FY 2001	FUTURE YEARS
<b>General Revenue Fund</b>			
Revenues	Loss of about \$1.7 million	Loss of about \$1.7 million	Loss of about \$1.7 million
Expenditures	Increase of about \$120,000 to \$140,000	Increase of about \$50,000 - \$60,000	Increase of about \$50,000 - \$60,000
<b>Reparations Fund (Fund 402)</b>			
Revenues	Loss of about \$1.8 million	Loss of about \$1.8 million	Loss of about \$1.8 million
Expenditures	- 0 -	- 0 -	- 0 -
<b>Trauma and Emergency Services Grants Fund (Fund 83P)</b>			
Revenues	Potential gain of \$9.8 million	Potential gain of \$9.8 million	Potential gain of \$9.8 million
Expenditures	- 0 -	- 0 -	- 0 -
<b>Emergency Medical Services Fund (Fund 83M)</b>			
Revenues	\$392,000 gain	\$392,000 gain	\$392,000 gain
Expenditures	Up to \$240,000 increase	Up to \$240,000 increase	Up to \$240,000 increase
<b>Ambulance Licensing Board (Fund 4N1)</b>			
Revenues	\$28,000 gain	\$28,000 gain	\$28,000 gain
Expenditures	- 0 -	- 0 -	- 0 -
<b>Seat Belt Education (Fund 844)</b>			
Revenues	\$112,000 gain	\$112,000 gain	\$112,000 gain
Expenditures	- 0 -	- 0 -	- 0 -
<b>Elementary School Seat Belt Program (Fund 83N)</b>			
Revenues	\$112,000 gain	\$112,000 gain	\$112,000 gain
Expenditures	- 0 -	- 0 -	- 0 -

Note: The state fiscal year is July 1 through June 30. For example, FY 2000 is July 1, 1999 – June 30, 2000.

- Increasing state court costs on certain offenses will increase total state court cost revenues. Revenues for the Grants Fund will increase by approximately \$9.04 million. However, diverting funds to the Trauma and Emergency Medical Services Grants Fund will diminish the amount of revenues for the Reparations Fund and for indigent defense, provided with GRF funding per year.



- The Department of Health will have initial GRF costs of approximately \$120,000 - \$140,000 to perform analysis and reporting requirements from hospitals designated as trauma centers, as required by the bill. In future years, this amount drops to about \$50,000 - \$60,000.
- The bill imposes additional costs for certain offenses in addition to the failure to use a seat belt. The additional amount is \$25 if the violation is a felony and \$5 if the violation is not a felony. This will generate an increase in revenues to the state of approximately \$1.4 million. Of this total amount, 54 percent of the fine revenue goes to the Trauma and Emergency Services Grants Fund (\$756,000), 28 percent to the EMS Fund (\$392,000), 8 percent to the Elementary School Seat Belt Program in the Department of Public Safety (DHS) (\$112,000), 8 percent to the DHS Seat Belt Education Fund (Fund 844) (\$112,000) and 2 percent to the Ambulance Licensing Board (\$28,000).
- Additional staffing within EMS to maintain the increased grant program as well as the expanded Trauma Registry and incident Run Reporting System. This could require four (4) new positions, supplies, equipment, etc. that could amount to \$240,000 per year. This is not included in the present EMS budget.

### ***Local Fiscal Highlights***

LOCAL GOVERNMENT	FY 1999	FY 2000	FUTURE YEARS
<b>Counties</b>			
Revenues	Potential minimal loss	Potential minimal loss	Potential minimal loss
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase
<b>Municipalities</b>			
Revenues	Potential minimal loss	Potential minimal loss	Potential minimal loss
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- County and municipal clerks of courts will have increased expenditures related to the collection of additional court costs on only certain offenses. This increase in expenditures may be offset by the amount of interest generated by holding these additional court costs in an escrow fund.
- Counties and municipalities could potentially experience a minimal loss of revenue from a decrease in local court costs collected based on the trauma fund state court costs taking a priority over the collection of local court costs. However, local court costs may be collected prior to collecting state court costs for indigent defense and the Reparations Fund. The ability of Clerks of Courts to collect local court costs before collecting all of the state court costs minimizes all potential loss of revenues.

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## ***Detailed Fiscal Analysis***

### ***Department of Public Safety***

This bill increases seat belt fines under sections 4513.263 and 4513.99 of the Revised Code. The current breakdown of fine distribution is as follows:

- 54 percent to Trauma and Emergency Medical Services Grants Fund (Fund 83P)
- 28 percent to Emergency Medical Services Fund (Fund 83M)
- 8 percent to Seat Belt Education (Fund 844)
- 8 percent to Elementary School Seat Belt Program (Fund 83N)
- 2 percent to Ambulance Licensing Board (Fund 4N1)

Estimates from the Ohio Department of Public Safety place the driver/passenger ratio for seat belt violations at 60.6 percent for drivers, and 39.4 percent for passengers statewide. For purposes of this analysis, LBO used a split of 60 percent to 40 percent. EMS figures state that there was approximately \$5.5 million in fine revenue collected in FY 1998. An additional \$5 assessment for non-felony convictions earmarked for the Grants Fund (Fund 83P) will raise the fine for drivers from \$25 to \$30 and for passengers from \$15 to \$20. LBO estimates that the additional assessment will produce an increase in revenue of at least \$1,393,333 per year. This figure does not account for felony convictions. Since this number is based on actual fine proceeds received, it is already discounted for uncollected fines. Since the EMS Fund (Fund 83M) is to receive 28 percent of this amount, the total transferred to Fund 83M is estimated to be \$390,132 per year.

### ***Department of Health***

The potential estimated costs for the Department of Health (DOH) related to analysis and reporting with the trauma system proposed in this bill to be about \$15,000 to \$30,000 annually. In Ohio, there are currently approximately 25 hospitals that are verified as trauma centers with the American College of Surgeons (ACS). Under this bill, a hospital has the option of being ACS verified or being verified by DOH. LBO assumes that no more than ten to twenty additional hospitals would seek to be designated as trauma centers. Additionally, according to the bill, hospitals with ACS verification would not be inspected by the Department with respect to trauma activities.

The Department estimates that initial cost of conducting inspections of facilities seeking designation as a trauma center to be \$1,500 per facility. This figure was determined based upon the current inspection costs incurred by the Department. These costs are internally capped at \$1,250. However, the addition of this new activity led the Department to increase this cost estimate to the \$1,500 figure. For follow up inspections, DOH estimates costs of \$750 per inspection. Certification, processing, complaint management, and enforcement expenses are estimated at \$350 to \$500 per facility. Since the bill is

silent on the matter, LBO assumes that the Department will cover these expenses out of its GRF funding. Using the \$1,500 per facility estimate, a potential total annual expenditure of \$15,000 to \$30,000 was derived.

The Department estimates an up front, one-time cost, of \$75,000 for initial program development. Other on-going expenses related to this program include \$12,000 for research support and \$20,000 in consulting expenses when the Department would need to bring in outside people on certain complex issues.

## ***Court Revenues***

Currently, local courts collect state court costs to support both the Victims of Crime Compensation program and indigent defense. State court costs are assessed upon an adult or juvenile offender convicted of a felony or a misdemeanor, other than a nonmoving violation. A total of \$20 is assessed for misdemeanors and \$41 for felonies.

For the Victims of Crime Compensation program, \$9 is assessed on misdemeanants and \$30 on felons. This revenue is placed into State Special Revenue Fund 402 (Reparations Fund). To subsidize indigent defense activities, \$11 is assessed on both misdemeanants and felons. This revenue is deposited into the GRF. The court can waive these amounts, and the amounts proposed in this bill, if the offender is determined to be indigent.

This bill would impose additional court costs for violations of certain sections of the Revised Code for deposit into the Trauma and Emergency Medical Services Grants Fund. Current state court costs are applied in all offenses, except nonmoving violations. The bill would assess an additional \$25 court cost on a felony offense and an additional \$5 court cost on a non-felony offense on certain crimes that have the potentiality of creating traumatic injuries. Because of a lack of detailed, centralized reporting, it is difficult to determine either the number of offenders upon whom these costs would be assessed or the number that would actually make payments.

In FY 1997, the state received \$39,747,475 in state court costs from local courts. Of this amount, \$21,595,012 was deposited into the GRF to aid the Public Defender in reimbursing counties for indigent defense. From this figure, we arrive at a full person equivalent of 1,963,183 people paying state court costs. By looking at the total revenue raised from common pleas courts in comparison to municipal, county, and mayors courts, and attempting to control for revenue raised in juvenile or joint juvenile divisions of common please courts, then approximately 92.6 to 95.0 percent of total state court costs are raised from misdemeanants.

Excluding juvenile data, LBO estimates that there were approximately 31,060 felons that paid court costs. Of this total, approximately 28.1 percent (8,718 felons) cannot pay the full \$41. For misdemeanants, LBO estimates a total of approximately 1,841,720 misdemeanants. Of this group, it is estimated that only 0.07 percent (1,226 misdemeanants) are unable to pay the total court costs of \$20.

Based upon a previous LBO analysis<sup>1</sup>, it is estimated that every one percent increase in the total penalty results in a decrease of 0.3 percent in the number of successful collections. The total penalty is comprised of both state and local court costs, plus fines. The lion's share of state court costs is derived from misdemeanor offenses. If the additional \$5 court cost were to be imposed across the board, then LBO estimates the following effect on collections as a result of this bill. The additional \$5 court cost represents a 5.95 percent increase in the total penalty assessed on a misdemeanor conviction, from \$84 to \$89. This 5.95 percent increase in total penalty should lead to a 1.8 percent decrease in the number of successful collections. Using the approximate number of misdemeanants who pay their full court costs (1,840,494) and decreasing this by 1.8 percent yields an estimate of 1,807,365 misdemeanants paying the new court cost of \$25. This brings in total revenues of \$45,184,125 compared to \$39,747,475 before the increase, a gain of \$5,436,650.

While this new amount is greater than the previous total, the amount available for the GRF and Fund 402 decreases since the Trauma Fund would receive costs totaling \$9,036,825 before allocations to the other two funds under the bill. The amount of court costs from misdemeanants available for the GRF and Fund 402 drop by approximately \$1,713,997 and \$1,886,178, respectively.

It is difficult to arrive at exact amounts without knowing the actual size of the population affected by this additional court costs. It is also difficult to estimate the burden placed on the local clerks of courts and on the county treasurers since the trauma costs are not applied to every offender. However, the decrease in GRF revenue should not have a direct effect on upon indigent defense services since these funds are not set aside for use by the Public Defender Commission. Counties and municipalities could experience a minimal loss of revenues related to the trauma fund court costs taking a priority over local court costs. However, local court costs may be collected as a priority over the remaining state court costs. There is currently no priority established in the Revised Code with respect to which court costs are collected first.

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<sup>1</sup> Badillo, Frank. "New Court Costs Come with Price Tag," *Budget Footnotes*, Ohio Legislative Budget Office, August 1992, v. 16, no. 2 (pp. 52 – 56).