

Local Fiscal Highlights

LOCAL GOVERNMENT	FYs 2008	FY 2009	FUTURE YEARS
Champaign County*			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Estimated \$6,195 increase related to local share of new judgeship plus approximately \$40,000 for additional court staff	Estimated \$8,260 annual increase related to local share of new judgeship plus approximately \$40,000 annually for additional court staff
Hamilton County			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Potential savings, magnitude uncertain	Potential annual savings, magnitude uncertain

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

* The new judge will be elected in 2008 for a term to begin February 10, 2009.

- **Champaign County Court of Common Pleas judgeship.** Starting with FY 2010, the annual salary and related payroll expenses for the new judge to be added to the Champaign County Court of Common Pleas will cost Champaign County an estimated \$8,260 per year. As the term of the new judge actually begins before FY 2010 (February 10, 2009), the amount of local financial support that will be disbursed in FY 2009 will be a portion of that annual amount, or approximately \$6,195.
- **Champaign County capital improvements.** The building that houses the Champaign County Court of Common Pleas is currently undergoing a renovation, the scope of which already includes the space necessary to accommodate the additional judge contained in this bill.
- **Champaign County court staffing expenses.** The staff for the new judgeship will primarily be composed of existing staff of the Probate-Juvenile division. An additional bailiff for the new judge will need to be hired at a cost, including benefits, of approximately \$40,000 annually.
- **Hamilton County Drug Court.** Presumably, existence of the Hamilton County Drug Court has allowed the county to more quickly and appropriately sanction certain drug offenders than would otherwise have been the case. If the authority for the Drug Court were allowed to sunset, then those efficiencies would most likely be lost, at least for the time being, until the local criminal justice system adjusted to a new way of handling drug cases. The bill would preserve those efficiencies permanently. Legislative Service Commission fiscal staff, however, has no easy way of quantifying the annual savings that those efficiencies currently produce.

Detailed Fiscal Analysis

Overview

For the purposes of this fiscal analysis, the bill most notably:

- Adds one judge to the Court of Common Pleas of Champaign County.
- Makes the Hamilton County Drug Court permanent.
- Specifies the compensation of a legislator appointed to judicial office.
- Extends the deadline for the report of the Joint Committee to Study Court Costs and Filing Fees.

Champaign County Court of Common Pleas judgeship

The bill creates a Domestic Relations-Juvenile-Probate Division for the Champaign County Court of Common Pleas and adds a judge to that division to be elected in 2008, for a term to begin February 10, 2009.

Judicial compensation-related costs

Base salary. The annual salary of a judge of a court of common pleas consists of a state share paid and local share paid by the county as follows:

- The ***local share*** varies slightly depending on a county's population as determined by the decennial census. The local amount is based on 18 cents per capita in the county, but may not be less than \$3,500 or more than \$14,000.
- The ***state share*** is equal to the annual salary minus the local share. Substitute House Bill 712 of the 123rd General Assembly provided annual salary increases each year from 2002 through 2008. The annual salaries of the judges and justices of the court will increase by the lesser of 3% or the percentage increase in the Consumer Price Index (CPI) over the 12-month period ending on September 30 of the previous year. In the case of judges for whom a portion of the salary is paid locally, the entire amount of the increase is added to the state share.

Supreme Court of Ohio fiscal staff has estimated that, in 2008, the annual salary of a judge of a court of common pleas will be \$121,600. Absent a statutory change providing annual salary increases after the year 2008, that annual amount will not increase in the year 2009. This would mean, of that amount, based on the 2000 Census, Champaign County's local share will total \$7,000 (38,890 county population x 18 cents per capita) in the year 2009. The state will cover the balance of the annual salary, which for the remainder of state FY 2009 (February 10, 2009 through June 30, 2009), amounts to \$42,975. For FY 2010, the first full state fiscal year of the judgeship, the state will expend \$114,600 plus whatever future cost-of-living increase may be authorized by the General Assembly.

Retirement. State and local elected officials are exempt from membership in PERS (Public Employees Retirement System), unless they choose to become members. Most do. Therefore, this analysis includes PERS payments, which assumes that the new judge added to the Champaign County Court of Common Pleas joins PERS. The state and local PERS contributions would work as follows:

- The state and Champaign County contribute at the rate of 13.77% and 13.55% of their share amounts, respectively. Under that PERS contribution formula, Champaign County will pay \$948 annually, while the state will contribute \$15,780 in FY 2010, the first full state fiscal year of the new judgeship.

Other state and local contributions. In addition to PERS, the state and Champaign County also make contributions for other purposes as follows:

- The state contributions total approximately 8.235%, which includes 1.45% of gross salary for Medicare for all employees hired after April 1986, 0.07% for workers' compensation, 0.295% for the Department of Administrative Services' payroll administration services, and 6.42% for health insurance. These miscellaneous annual contributions will cost the state \$9,437 (\$114,600 x 8.235%) in FY 2010, the first full state fiscal year of the new court of common pleas judgeship.
- Champaign County's contributions total approximately 4.45%, which includes 1.45% of gross salary for Medicare and 3.0% for workers' compensation. These miscellaneous annual contributions will cost Champaign County \$312 (\$7,000 x 4.45%).

Summary of payroll-related costs. The state and local shares of various payroll costs directly related to an additional court of common pleas judge are summarized in the table below.

Champaign County Court of Common Pleas Judgeship Estimated Annual State and Local Judgeship Payroll-Related Costs	
Estimated Base Salary: \$121,600 (for a term to begin February 2009)*	
<u>State Share (FY 2010)</u>	
Salary	\$114,600
PERS (13.77%)	\$15,780
Medicare (1.45%)	\$1,661
Workers' Compensation (0.07%)	\$81
Payroll Administration Services (0.295%)	\$338
<u>Health Insurance (6.42%)</u>	<u>\$7,357</u>
State Total	\$139,817
<u>Local Share (CY 2009)</u>	
Salary	\$7,000
PERS (13.55%)	\$948
Workers' Compensation (3.00%)	\$210
<u>Medicare (1.45%)</u>	<u>\$102</u>
Local Total	\$8,260

Other Champaign County costs

Capital improvements. The building that houses the Champaign County Court of Common Pleas is currently undergoing a renovation. This renovation began with the knowledge that a new court of common pleas judge could possibly be added in the future. As a result, the scope of this renovation has already incorporated the space necessary to accommodate the additional judge contained in this bill.

Staffing expenses. Legislative Service Commission fiscal staff contacted Champaign County court personnel to determine if the addition of one judge will require any increase in court staff and was informed that the new judge/division will require the addition of a bailiff at an annual cost, including benefits, of approximately \$40,000.

Hamilton County Drug Court

The bill makes the Drug Court Judge of the Hamilton County Court of Common Pleas permanent. The term of the current Drug Court Judge began on January 3, 1997, and is set to expire and be replaced by a successor general division judge on January 2, 2009.

The Drug Court currently costs Hamilton County in excess of \$700,000 annually to operate, which includes the payroll expenses of 18 county personnel, including the judge, a director, an administrator, a bailiff, a clerk, a court reporter, a prosecutor, three public defenders, and eight probation officers.

If the authority that allows the Drug Court to exist were allowed to sunset, these annual operating costs would not simply disappear; nor would its drug caseload simply disappear. These drug cases would be redistributed among all of the judges of the general division of the county's court of common pleas, including the former Drug Court judgeship that would become a member of the general division. The remaining county personnel that have been assembled around the existing Drug Court would probably not be just let go, they would most likely be reallocated around the criminal justice components of Hamilton County's common pleas court system to reflect the caseload effects of redistributing drug cases.

Even if the bill does not create a direct fiscal effect on Hamilton County, for example, by cutting annual operating costs associated with the Drug Court, it could still be argued that there is at least one likely indirect fiscal effect. Presumably, the existence of the Drug Court has allowed the county to more quickly and appropriately sanction certain drug offenders than would otherwise have been the case. If the authority for the Drug Court were allowed to sunset, then those efficiencies would most likely be lost, at least for the time being until the local criminal justice system adjusted to a new way of handling drug cases. The bill would permanently preserve those efficiencies. Legislative Service Commission fiscal staff, however, has no easy way of quantifying the annual savings that those efficiencies currently produce.

Compensation of a legislator appointed to judicial office

State revenues and expenditures. As a result of the bill's provision relative to the compensation of a legislator appointed to judicial office, circumstances may occasionally arise wherein certain legislators appointed to judicial office would be paid less than the statutorily mandated amount of compensation in effect at the time of that appointment. Such an outcome most likely generates a savings in GRF moneys that would otherwise have been disbursed by the Supreme Court as state financial support for that judgeship. The magnitude of that potential savings is problematic to estimate and uncertain, as it depends on predicting the future behavior of various individuals and General Assemblies.

Local revenues and expenditures. This provision of the bill appears unlikely to affect the amount of the local share for any given judgeship. Thus, it would have no effect on local expenditures. This provision has no effect on local revenues.

Joint Committee to Study Court Costs and Filing Fees

Pursuant to Section 6 of Sub. H.B. 336 of the 126th General Assembly, effective January 18, 2007, the Joint Committee to Study Court Costs and Filing Fees must submit written findings and recommendations not later than one year after the effective date of the act to the justices and Chief Justice of the Ohio Supreme Court, the General Assembly, and the Governor. The bill extends that deadline to one year and six months after the effective date of Sub. H.B. 336. This provision of the bill does not appear to have any direct fiscal effect on the revenues or expenditures of the state or its political subdivisions.

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