Fiscal Note & Local Impact Statement

127 th General Assembly of Ohio

Ohio Legislative Service Commission
77 South High Street, 9th Floor, Columbus, OH 43215-6136 ✧ Phone: (614) 466-3615
✧ *Internet Web Site:* http://www.lsc.state.oh.us/

BILL: **S.B. 155 (with LSC amendment SC-1)** DATE: **June 12, 2007**

STATUS: **In Senate Committee on Civil Justice** SPONSOR: **Sen. Faber**

LOCAL IMPACT STATEMENT REQUIRED: **Yes**

CONTENTS: **Creates a Domestic Relations-Juvenile-Probate Division for the Champaign County Court of Common Pleas and adds a judge to that division**

State Fiscal Highlights

STATE FUND	FY 2008*	FY 2009	FUTURE YEARS
General Revenue Fund (GRF)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Estimated $52,428 increase related to state share of new judgeship	Estimated $139,817 annual increase related to state share of new judgeship

Note: The state fiscal year is July 1 through June 30. For example, FY 2008 is July 1, 2007 – June 30, 2008.
* 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 amount in GRF funding that the Supreme Court of Ohio will disburse in the form of state support for the new judge added to the Champaign County Court of Common Pleas is estimated at $139,817, which consists of: (1) $114,600 in salary, (2) $15,780 in PERS contributions, and (3) $9,437 in miscellaneous other contributions. As the term of the new judge actually begins roughly halfway through the state's FY 2009 (February 10, 2009), the amount of state financial support that will be disbursed in that fiscal year will be a portion of that annual amount, or approximately $52,428.

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 uncertain costs for associated additional court staff	Estimated $8,260 annual increase related to local share of new judgeship plus uncertain costs for associated additional court staff

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.

- ***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.

- ***Staffing expenses.*** As of this writing, the specific salary and nature of any additional court staff that may be needed to support the new judge is uncertain, as local officials have not yet made those decisions.

Detailed Fiscal Analysis

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 estimated annual state and local judgeship payroll-related costs

The previously described 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)*

State Share (FY 2010)

Salary		$114,600
PERS (13.77%)		$15,780
Medicare (1.45%)		$1,661
Workers' Compensation (0.07%)	$81	
Payroll Administration Services (0.295%)	$338	
Health Insurance (6.42%)		$7,357
State Total		**$139,817**

Local Share (CY 2009)

Salary		$7,000
PERS (13.55%)		$948
Workers' Compensation (3.00%)	$210	
Medicare (1.45%)		$102
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 court is in the preliminary stages of making this determination. The initial view is that at least one additional staff person will be required. As of this writing, the specific salary and nature of that position has not been determined. The discussions regarding the distribution and duties of staff in the newly created Domestic Relations-Juvenile-Probate Division for the Champaign County Court of Common Pleas will take place in the following weeks as the specific needs of the court are addressed and discussed by the relevant elected officials.

LSC fiscal staff: Matthew L. Stiffler, Budget Analyst

SB0155S1/lb