



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Sub. H.B. 606 of the 129th G.A. **Date:** December 5, 2012
Status: As Reported by House Judiciary & Ethics **Sponsor:** Rep. R. Hagan

Local Impact Statement Procedure Required: No

Contents: Abolish a judgeship of the Youngstown Municipal Court

State Fiscal Highlights

STATE FUND

FY 2014 – FUTURE YEARS

General Revenue Fund

Revenues	- 0 -
Expenditures	Estimated annual savings of \$63,990 in judicial salaries and benefits

Note: The state fiscal year is July 1 through June 30. For example, FY 2014 is July 1, 2013 – June 30, 2014.

- Beginning January 2014, the annual amount of GRF funding that the Supreme Court of Ohio will disburse in the form of state support for the judgeships of the Youngstown Municipal Court will decrease by an estimated \$63,990 which consists of: (1) \$52,350 in salary, (2) \$7,329 in Public Employees Retirement System contributions, and (3) \$4,311 in miscellaneous other contributions. As the term of the judgeship is actually eliminated halfway through the state's FY 2014 (January 2014), the amount of state financial support that will be saved in that fiscal year will be approximately \$31,995.

Local Fiscal Highlights

LOCAL GOVERNMENT

FY 2014 – FUTURE YEARS

City of Youngstown

Revenues	- 0 -
Expenditures	(1) Estimated annual savings of \$73,143 in judicial salary and benefits; (2) Potential annual savings of a few hundreds of thousands of dollars for additional court personnel

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

- Starting in January 2014, the elimination of one judgeship of the Youngstown Municipal Court will save the city of Youngstown an estimated \$73,143 per year in salary and related payroll expenses.
- If the bill is not enacted, additional staff may need to be hired to support the judge elected in November 2013 to this currently vacant position. This will cost the city of Youngstown a few hundreds of thousands of dollars annually.

Detailed Fiscal Analysis

The bill abolishes one full-time judge of the Youngstown Municipal Court that otherwise will be elected in November 2013. With this change, the Youngstown Municipal Court will have two full-time judges in January 2014, instead of three as under current law. As a result of this change, the state and the city of Youngstown will see an annual decrease in salary and related payroll expenses of \$63,990 and \$73,143, respectively.

Judicial compensation-related costs

Base salary

The annual salary of a full-time municipal court judge currently totals \$114,100, and consists of a local and state share determined by statute as follows:

- The *local share* is \$61,750 per year.
- The *state share* is equal to the annual salary minus the local share, or \$52,350.

Absent a statutory change, the annual salary and related state and local shares will not change in future years.

Retirement

State and local elected officials are exempt from membership in PERS (Public Employees Retirement System), unless they choose to become members. As most elected officials do accept membership in PERS, this analysis includes PERS payments.

The state and the city of Youngstown contribute at the rate of 14.0% of their share amounts, respectively. Under that PERS contribution formula, the city of Youngstown will save \$8,645 annually, while the state will save \$7,329 in FY 2015, the first full state fiscal year after the abolition of the full-time judge.

Other state and local payroll-related charges

The state and the city of Youngstown also pay for other payroll-related charges, as detailed below.

The state pays for 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. The elimination of these miscellaneous annual contributions will save the state \$4,311 in FY 2015, the first full state fiscal year after the abolition of the full-time judge.

The city of Youngstown pays for 1.45% of gross salary for Medicare and 3.0% for workers' compensation. The elimination of these miscellaneous annual contributions will save the city of Youngstown \$2,748.

State and local savings summarized

The state and city of Youngstown annual savings in salary and payroll-related charges from the abolition of one full-time judge are summarized in the table below.

Youngstown Municipal Court Judgeship Estimated Annual State and Local Judgeship Payroll-Related Savings	
Base Salary: \$114,100 (for a term to begin January 2014)*	
<u>State Share (FY 2015)</u>	
Salary	\$52,350
PERS (14.00%)	\$7,329
Medicare (1.45%)	\$759
Workers' Compensation (0.07%)	\$37
Payroll Administration Services (0.295%)	\$154
<u>Health Insurance (6.42%)</u>	<u>\$3,361</u>
State Total	\$63,990
<u>Local Share (CY 2014)</u>	
Salary	\$61,750
PERS (14.00%)	\$8,645
Workers' Compensation (3.00%)	\$1,853
<u>Medicare (1.45%)</u>	<u>\$895</u>
Local Total	\$73,143
* No increases in annual judicial salaries are statutorily authorized after the year 2008.	

Additional local cost savings

The judgeship in the Youngstown Municipal Court abolished by the bill is currently vacant. The judge previously holding this seat retired in July 2012 and a replacement has not been appointed. In this situation, the state and city of Youngstown are currently saving the salary and related payroll charges. Absent a statutory change, these savings will cease in January 2014 when a new judge is elected to this position.

According to officials contacted by LSC, the staff associated with this judgeship have been eliminated or reassigned within the court system. Presumably, if the bill is not enacted, additional staff may need to be hired to support the judge elected in November 2013 to this position. The cost of these staff would be paid by the city of Youngstown and may cost hundreds of thousands of dollars annually.