



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 186 of the 130th G.A.](#)

Date: October 11, 2013

Status: As Introduced

Sponsor: Reps. Boose and Gerberry

Local Impact Statement Procedure Required: No

Contents: Indigent defense services delivery system

State and Local Fiscal Highlights

- The bill increases the reimbursement rate paid to counties for their indigent defense services delivery costs in noncapital cases by 10% each year until the state assumes 100% of those costs in 2019. This shifting of responsibility for indigent defense costs will increase expenditures of the state by an estimated \$31.9 million in the current FY 2014-FY 2015 biennium. By 2019, the estimated increase in annual costs to the state will be approximately \$84.6 million. As these indigent defense expenditures shift to the state, counties will realize corresponding decreases in their indigent defense services expenditures.
- The bill also makes other numerous changes to the administrative structure and operations of the State Public Defender, the purpose of which is to streamline and standardize the delivery of indigent defense services. Some of these provisions may increase overall costs; others will offset those costs with improvements and efficiencies in administrative operations. The net effect is uncertain.

Detailed Fiscal Analysis

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

- Increases the reimbursement rate paid to counties for their indigent defense services costs by 10% each year until the state assumes 100% of the cost in 2019.
- Changes the mechanism for the payment of appointed counsel by authorizing the State Public Defender to establish hourly rates and per case maximums paid to counsel appointed to provide representation to indigent persons.
- Makes numerous other changes to the administrative structure and operations of the State Public Defender for the purpose of streamlining and standardizing the delivery of indigent defense services.

State and local fiscal effects

Reimbursement rates

Noncapital cases. The most significant fiscal effect created by the bill will involve changes to the manner in which counties are reimbursed for operating their indigent defense services systems. Currently, the state reimburses counties for 40% of the costs of operating their indigent defense services systems; counties are responsible for the remaining 60%. The bill increases the reimbursement rate paid to counties by 10% annually beginning January 1, 2014, with the state becoming responsible for 100% of the costs of indigent defense services by 2019. Conversely, the county share for indigent defense services would decrease by 10% each year through 2019 when the state assumes full responsibility for paying these costs. The table below shows the amount of increase in costs to the state each year through 2019.

Annual Indigent Defense Cost Estimates (in millions), FY 2014-FY 2019				
Fiscal Year	Estimated Total Indigent Defense Cost*	40% Reimbursement	H.B. 186 Reimbursement Rate	Annual Increase in State Costs**
2014	\$125.5	\$50.2	\$62.7 (at 50%)	\$6.3
2015	\$128.0	\$51.2	\$76.8 (at 60%)	\$25.6
2016	\$131.2	\$52.5	\$91.9 (at 70%)	\$39.4
2017	\$134.5	\$53.8	\$107.6 (at 80%)	\$53.8
2018	\$137.7	\$55.1	\$123.9 (at 90%)	\$68.8
2019	\$140.9	\$56.4	\$140.9 (at 100%)	\$84.6
Total State Increase Over Six-Year Transition Period				\$278.5

* Estimates based on average annual increase for FY 2012 through FY 2015 as projected by the State Public Defender's office.

** Assuming the change in reimbursement rates starts January 1, 2014, the FY 2014 amount represents half of that fiscal year (January 1, 2014-June 30, 2014).

Note: number totals may vary slightly due to rounding.

Capital cases. The increase in reimbursement rates described above does not apply to capital (death penalty) cases, which constitute an extremely small subset of the total criminal caseload statewide. The bill requires the state to reimburse counties for 50% of the cost of indigent defense services in capital cases. The State Public Defender has estimated the cost of capital cases at up to \$2.5 million each year from FY 2013 through FY 2015. At the current 40% reimbursement rate, the estimated state share of the cost for capital cases would be \$1 million each year; the remaining county share would be \$1.5 million (60%) each year statewide. Increasing the reimbursement rate to 50% in these cases would increase the estimated cost to the state by \$250,000 per year. The counties would realize a corresponding savings effect as their responsibility for indigent defense services in capital cases would decrease by 10%.

Appointed counsel rates

The bill eliminates the requirement under current law that the State Public Defender establishes the maximum amounts that the state will reimburse counties for indigent defense services provided by appointed counsel. Under the bill, the State Public Defender will establish hourly rates and per case maximums to be paid to counsel appointed to provide representation to indigent persons. In some counties the appointed counsel rates under current law are very low. Requiring the state to establish more uniform hourly rates and per case maximums will likely increase the overall cost of appointed counsel in certain counties. The likely amount of any such increase is uncertain, and would increasingly be borne by the state as the bill requires the state to ultimately assume all the cost of appointed counsel.

Administrative changes

The bill makes several changes to the administrative structure and operations of the State Public Defender. These changes allow the State Public Defender to create regional and district offices in lieu of the current system of county public defenders and joint county public defender offices. The State Public Defender is also required, under the bill, to determine the preferred system for delivering indigent defense services in each county. These and other changes in the bill will, according to the State Public Defender's office, allow for more uniformity and standardization in their operations, which is expected to reduce costs through improved coordination and efficiency. To the extent that any such savings are realized, they will offset any potential increases in the overall cost of providing indigent defense services, irrespective of the transition of these expenses to the state. The net effect of these increases and decreases in administrative costs will occur within the context of the larger shift, over time, in responsibility for providing indigent defense services from counties to the state.