

# Fiscal Note & Local Impact Statement

## 124<sup>th</sup> General Assembly of Ohio

Ohio Legislative Service Commission  
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BILL: **Sub. H.B. 11** DATE: **June 13, 2001**

STATUS: **As Enacted – Effective October 31, 2001** SPONSOR: **Rep. Webster**  
(Sections 3 and 4 effective January 1, 2002)

LOCAL IMPACT STATEMENT REQUIRED: **Yes**

CONTENTS: **Creates one additional judge for the Juvenile Division of the Butler County Court of Common Pleas and one additional judge for the Domestic Relations Division of the Muskingum County Court of Common Pleas, both beginning January 2, 2003**

### State Fiscal Highlights

STATE FUND	FY 2002	FY 2003*	FUTURE YEARS
<b>General Revenue Fund</b>			
Revenues	- 0 -	\$55,425 gain	- 0 -
Expenditures	- 0 -	\$110,850 increase	\$229,336 increase in FY 2004, followed by annual increases of no more than 3 percent through FY 2010

Note: The state fiscal year is July 1 through June 30. For example, FY 2002 is July 1, 2001 – June 30, 2002.

\*LSC fiscal staff assume that Muskingum County's required one-time reimbursement to the state of \$55,425 will occur in FY 2003.

- Currently, the state has statutorily prescribed pay increases for common pleas court judges through calendar year 2009. The \$229,336 annual state cost of two additional common pleas court judges starting with FY 2004 reflects \$99,100 in annual salary, plus 13.31 percent, or \$13,190, for PERS (Public Employees Retirement System), and 2.4 percent, or \$2,378, for other administrative costs. Since these judgeships begin at the halfway point in FY 2003, the expenditure increase for FY 2003 indicated in the above table (\$110,850) represents only the last six months of the state fiscal year in which both of the judges take office.
- The bill contains uncodified law requiring Muskingum County to reimburse the state for the state's portion of the compensation of the new judge of the Muskingum County Court of Common Pleas for services that judge performs from January 2, 2003 through June 30, 2003. The net fiscal effect of this provision is to shift the burden of covering a six-month period of salary and benefits totaling \$55,425 in FY 2003 from the state to Muskingum County.



## *Local Fiscal Highlights*

LOCAL GOVERNMENT	FY 2002	FY 2003	FUTURE YEARS
<b>Butler County</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Likely one-time capital improvements	\$39,654 increase	\$39,654 annual increase
<b>Muskingum County</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	\$71,322 increase*	\$15,897 annual increase

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

\*LSC fiscal staff assume that Muskingum County's required one-time reimbursement to the state of \$55,425 will occur in FY 2003.

- Butler County.** The annual salary and benefits for one additional judge will cost Butler County \$15,897, which is comprised of \$14,000 in annual base salary, plus 13.55 percent, or \$1,897, for PERS benefits. Additionally, the Butler County Court of Common Pleas expects to hire one courtroom clerk support person to assist with caseload management. The annual salary and benefits for this new support person will be \$23,757. Lastly, Butler County will likely incur a one-time expense for remodeling existing courtroom space to accommodate the new judge. At this time, however, the county has not developed any detailed planning or cost estimates.
- Muskingum County.** The annual salary and benefits for one additional judge will cost Muskingum County \$15,897, which is comprised of \$14,000 in annual base salary, plus 13.55 percent, or \$1,897, for PERS benefits. The bill contains uncodified law requiring Muskingum County to reimburse the state for the state's portion of the compensation of the new judge of the Muskingum County Court of Common Pleas for services that judge performs from January 2, 2003 through June 30, 2003. The net fiscal effect of this provision is to shift the burden of covering a six-month period of salary and benefits totaling \$55,425 in FY 2003 from the state to Muskingum County. No other additional annual operating costs will be generated or capital improvements required as a direct result of the bill.

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## *Detailed Fiscal Analysis*

### **Full-time Judge**

Salaries for common pleas court judges consist of a state share and a local share paid by the county. The local contribution varies slightly depending on a county's population as determined by the decennial census. This local amount is based on eighteen 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 total salary minus the local contribution. Substitute House Bill 712 of the 123rd General Assembly established a common pleas court judge's salary at \$113,100 for calendar year 2004. Based on the 1990 census, Butler and Muskingum counties would each be required to pay the \$14,000 maximum total annual contribution towards their new common pleas court judge's salary. (The year 2000 census will not result in a lessening of the maximum local annual contribution provided by either county.) The state will cover the remainder of the judicial salary, which would amount to \$99,100 per judgeship in FY 2004, the first full state fiscal year for these two new judgeships. The state share of these judicial salaries will increase annually, through calendar year 2009, according to the smaller of the Consumer Price Index or 3 percent, as established in Sub. H.B. 712.

The bill also contains uncodified law requiring Muskingum County to reimburse the state for the state's portion of the compensation of the new judge of the Muskingum County Court of Common Pleas for services that judge performs from January 2, 2003 through June 30, 2003. The net fiscal effect of this provision is to shift the burden of covering a six-month period of salary and benefits totaling \$55,425 in FY 2003 from the state to Muskingum County.

### **PERS**

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 both of the additional judges join PERS. The state contributes at the rate of 13.31 percent of its supplemental salary amount, while the county pays 13.55 percent on its base share amount. Under that PERS contribution formula, Butler and Muskingum counties will each pay \$1,897 annually, while the state will contribute \$23,824 annually.

In addition to PERS, the state also makes contributions for other purposes: 1.45 percent of gross salary for Medicare for all employees hired after April 1986, 0.67 percent for workers' compensation, and 0.28 percent for the administration of the state's Central Accounting System (CAS). These contributions, in total, comprise about 2.4 percent of the state's portion of the judicial salary. For the additional two judges to be seated in Butler and Muskingum counties, these miscellaneous annual contributions will cost the state \$4,757 in FY 2004, the first full state fiscal year for these two new judgeships. The state's miscellaneous annual contributions will continue to rise through calendar year 2009 along with the increases in the state's share of judicial salaries that are mandated in Sub. H.B. 712.

## **Additional Local Costs**

*Butler County.* An additional judge will likely create some additional costs for Butler County in terms of increased staff and remodeling. The court anticipates hiring one courtroom clerk support person, but believes that no other employees will be immediately necessary. The annual salary and benefits for this support person will cost Butler County \$23,757. There will also be one-time costs incurred by the county for remodeling existing courtroom space to incorporate the new judge. Since this new judge is not scheduled to take office until calendar year 2003, the court has not progressed very far in terms of contracting for design work and obtaining construction estimates.

*Muskingum County.* Muskingum County does not anticipate any additional local costs as a result of the bill. The county did recently purchase a new court building, which is currently being renovated. The space needed to accommodate the additional judge has already been incorporated into the project's scope. The court is also planning to hire two additional support persons to assist with the current workload. They will be in place before the new judge is sworn in and are not being hired as a result of the bill.

*LSC fiscal staff: Joseph Rogers, Budget Analyst*

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