

Local Fiscal Highlights

| LOCAL GOVERNMENT | FY 2002 | FY 2003 | FUTURE YEARS |
|----------------------|---------|--|----------------------------------|
| Butler County | | | |
| Revenues | - 0 - | - 0 - | - 0 - |
| Expenditures | - 0 - | \$140,482 increase, including a one-time reimbursement of \$55,425 paid to the state | \$85,057 or more 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.

- The annual salary and benefits for one additional court of common pleas 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. The court also anticipates hiring a judicial assistant, as well as a bailiff, and believes that no other employees will be immediately necessary. The annual salary and benefits for these two support personnel will cost Butler County \$69,160.
- The bill requires Butler County to reimburse the state for the state's portion of the compensation of the new judge of the Butler County Court of Common Pleas for services that judge performs from January 3, 2003 through June 30, 2003. The net fiscal effect of this provision is to shift the burden of covering the first six-month period of salary and benefits estimated at \$55,425 in FY 2003 from the state to Butler County. This analysis assumes that Butler County would reimburse the state sometime during the county's FY 2003.
- As adequate courtroom and administrative space for the new judge and staff already exist, no new construction is anticipated.

Detailed Fiscal Analysis

Judicial Salary. The salary of a common pleas court judge consists 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 for the county's population, and cannot be less than \$3,500 or more than \$14,000. The state share is equal to the total salary minus the local contribution.

The salary for a common pleas court judge in calendar year 2003 will be \$109,800. Pursuant to Sub. H.B. 712 of the 123rd General Assembly that salary will increase to \$113,100 in calendar year 2004. The state share of the judicial salary will then continue to 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.

Based on the most recent census data, Butler County would be required to pay the \$14,000 maximum total annual contribution towards the new common pleas court judge's salary.

The state will cover the remainder of the judicial salary. In FY 2003, the state will pay the judge a total of \$47,900 in salary. This is because the judge's term begins January 3, 2003 and only six months will be left before the close of FY 2003. In FY 2004, the state will pay the judge a total of \$97,450 in salary, which reflects a six-month period under the calendar year 2003 salary schedule and a six-month period under the calendar year 2004 salary schedule. This mixing of the state's fiscal year and judicial salary increases that are tied to calendar years will continue through calendar year 2009.

The bill also notably requires Butler County to reimburse the state for the state's portion of the compensation of the new judge of the Butler County Court of Common Pleas for services that judge performs from January 3, 2003 through June 30, 2003. The net fiscal effect of this provision is to shift the burden of covering the first six-month period of salary and benefits estimated at \$55,425 in FY 2003 from the state to Butler County. This estimated amount to be reimbursed by Butler County reflects the \$47,900 state portion of the judge's salary for final six months of FY 2003 plus 13.31 percent for PERS and 2.4 percent for other miscellaneous administrative costs (described below).

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 the new judge, created by the bill, will 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 County will pay \$1,897 annually. In FY 2003, the state's contribution will total \$6,375. Starting with FY 2004, the state will contribute \$12,970, with the total contribution increasing annually thereafter as judicial salaries rise.

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 judge to be seated in Butler County, these miscellaneous annual contributions will cost the state \$1,150 in FY 2003. Starting with FY 2004, these miscellaneous annual contributions will cost the state \$2,339, with that total amount increasing annually thereafter as judicial salaries rise.

Additional Butler County Costs. An additional judge will likely create some ongoing additional costs for Butler County in terms of increased staff. The court anticipates hiring a judicial assistant, as well as a bailiff, and believes that no other employees will be immediately necessary. The annual salary and benefits for these two support personnel will cost Butler County \$69,160. As adequate courtroom and administrative space for the new judge and staff already exist, no new construction is anticipated.

LSC fiscal staff: Joseph Rogers, Budget Analyst

\\Budget_office\isis_voll.lbo\FN124\HB0499EN.doc