

Fiscal Note & Local Impact Statement

125th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **Am. Sub. H.B. 86** DATE: **October 15, 2003**

STATUS: **As Enacted – Effective November 13, 2003** SPONSOR: **Rep. Hoops**
(Sections 3 and 4 effective January 1, 2004)

LOCAL IMPACT STATEMENT REQUIRED: **Yes**

CONTENTS: **Adds one judge to the Erie County Court of Common Pleas for a term to begin on January 2, 2005, reallocates jurisdictional responsibilities of current judges of the Erie County Court of Common Pleas, creates the Domestic Relations-Juvenile-Probate Division of the Logan County Court of Common Pleas, adds a judge to be the judge of that Division of the Logan County Court of Common Pleas for a term to begin on January 2, 2005, specifies that a board of elections may not invalidate a petition on the ground that its form does not satisfy statutory requirements, if the board originally distributed the petition form and, at the time of distribution, it did not satisfy statutory requirements, and declares an emergency**

State Fiscal Highlights

STATE FUND	FY 2004*	FY 2005	FUTURE YEARS
General Revenue Fund			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Up to \$90,550 or more increase	Up to \$181,101 or more increase in FY 2006, followed by annual increases of no more than 3% through FY 2009

Note: The state fiscal year is July 1 through June 30. For example, FY 2004 is July 1, 2003 – June 30, 2004.

*The two new judges will be elected in November 2004 for terms to begin on January 2, 2005.

- **Erie County Court of Common Pleas judgeship.** Starting with FY 2006, 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 Erie County Court of Common Pleas is estimated at \$124,562, which consists of: (1) \$102,100 in salary, (2) \$13,590 in PERS contributions, and (3) \$8,872 in miscellaneous other contributions. As the term of the new judge does not begin until halfway through the state's FY 2005, the amount of state financial support that will be disbursed in that fiscal year is estimated at half the annual estimated annual cost, or \$62,281. Currently, the state has statutorily prescribed annual pay increases in the state share of the salary of common pleas court judges through calendar year (CY) 2008.
- **State cost savings for visiting judges in Erie County.** Currently, the state assumes 86.4% of a visiting judge's salary, which, in FY 2003, translated into a total of approximately \$75,000 for the state share of visiting judges' salaries in Erie County. Based on LSC fiscal staff's research, it appears that Erie County's need for visiting judges will greatly diminish once the new court of common pleas judge takes office in

January 2005. Thus, the state's annual costs associated with supporting the new common pleas court judgeship in Erie County (estimated at an annual total of \$124,562 starting with FY 2006) will be somewhat offset by an estimated annual savings of up to \$75,000 in visiting judge costs for Erie County that would presumably no longer be incurred.

- **Logan County Court of Common Pleas judgeship.** Starting with FY 2006, 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 Logan County Court of Common Pleas is estimated at \$131,539, which consists of: (1) \$107,819 in salary, (2) \$14,351 in PERS contributions, and (3) \$9,369 in miscellaneous other contributions. As the term of the new judge does not begin until halfway through the state's FY 2005, the amount of state financial support that will be disbursed in that fiscal year is expected to be half the estimated annual cost, or \$65,770. Currently, the state has statutorily prescribed annual pay increases in the state share of the salary of common pleas court judges through CY 2008.
- **Petitions filed with a board of elections.** The provision of the bill prohibiting a board of elections from invalidating a petition under certain circumstances appears to have no direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2004*	FY 2005	FUTURE YEARS
Erie County			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Up to \$3,000 or more decrease	Up to \$3,000 or more decrease annually
Logan County			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	\$150,000 to \$250,000 in one-time capital improvements and equipment purchases	Up to \$24,403 increase in salaries, benefits, and additional operating costs	Up to \$24,403 increase annually in salaries, benefits, and additional operating costs

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 judges in each of Erie County and Logan County will be elected in November 2004 for terms to begin on January 2, 2005.

- **Erie County Court of Common Pleas judgeship.** Starting with FY 2005, the annual salary and benefits for the new judge to be added to the court of common pleas will cost Erie County \$15,897, which is comprised of \$14,000 in annual base salary, plus 13.55%, or \$1,897, for PERS benefits. These costs will likely be more than offset by the savings created from the discontinued reliance on visiting judges, as detailed in the bullet immediately below.
- **Erie County cost savings for visiting judges.** Currently, the county portion of a visiting judge's salary is 13.6%. During CY 2002, Erie County expended \$11,396 for visiting judges' salaries and \$7,642 in travel expenses, for a total annual expenditure of \$19,038 in support of visiting judges. Thus, the annual county costs associated with supporting the new common pleas court judgeship in Erie County (estimated at an annual total of \$15,897 starting with FY 2005) would be more than offset by an estimated annual savings of around \$19,000 in county expenses (based on CY 2002 expenditures) related to visiting judges' salaries for Erie County that would presumably no longer be incurred. Assuming that were true, Erie County could realize a cost savings of up to \$3,000 or so annually.

- **Reallocation of jurisdictional responsibilities in Erie County.** With regard to the reallocation of jurisdictional responsibilities, it appears, based on LSC fiscal staff's research, that: (1) the annual operating expenditures of the Erie County Court of Common Pleas will not increase, and (2) Erie County may actually realize some minimal cost savings in relation to the annual expenditures of its court of common pleas due to possible efficiencies created by the restructuring of existing caseloads.
- **Other Erie County costs.** As a result of a restructuring of court operations planned to occur within the next few years, it appears that Erie County does not anticipate the need to hire any additional staff in order to support the new common pleas court judgeship. In addition, the county's existing courthouse will be undergoing renovations as part of a long-standing expansion plan. With minor modifications, additional courtroom space will be refitted at little or no additional cost to Erie County.
- **Logan County Court of Common Pleas judgeship.** Starting with FY 2005, the annual salary and benefits for the new judge to be added to the Logan County Court of Common Pleas will cost Logan County \$9,403, which is comprised of \$8,281 in annual base salary, plus 13.55%, or \$1,122, for PERS benefits.
- **Other Logan County costs.** According to the Logan County Board of Commissioners, other costs associated with the bill include: (1) an increase in the annual operating expenses associated with the court of common pleas in the range of \$10,000 to \$15,000, and (2) one-time capital improvements and equipment purchases totaling in the range of \$150,000 to \$250,000. These one-time costs would presumably be incurred in FY 2004, the year preceding the effective date of the new judgeship.
- **Petitions filed with a board of elections.** The provision of the bill prohibiting a board of elections from invalidating a petition under certain circumstances appears to have no direct fiscal effect on political subdivisions of the state.

Detailed Fiscal Analysis

Overview

For the purposes of this fiscal analysis, the four key components of the bill include:

- (I) Adding one judge to the Erie County Court of Common Pleas for a term to begin on January 2, 2005 and reallocating jurisdictional responsibilities of current judges of the Erie County Court of Common Pleas.
- (II) Creating the Domestic Relations-Juvenile-Probate Division of the Logan County Court of Common Pleas and adding a judge to be the judge of that Division of the Logan County Court of Common Pleas for a term to begin on January 2, 2005.
- (III) Prohibiting a board of elections from invalidating a petition form filed with the board that does not satisfy the requirements of law on the date the board distributes it.
- (IV) Declaring an emergency.

(I) Additional judge and reallocation of jurisdictional responsibilities for the Erie County Court of Common Pleas

Judicial compensation costs

Base salary

The annual salary of a judge of a court of common pleas consists of a state-paid share and a 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.

The Supreme Court of Ohio estimates that, when the new judge is added to the Erie County Court of Common Pleas for a term to begin January 2, 2005, the annual salary of a judge of a court of common pleas will be \$116,100. Of that amount, based on the 2000 Census, Erie County will have to pay the \$14,000 maximum annual local share required under current law. The state will cover the remainder of the annual salary, which in FY 2006 (July 1, 2005 through June 30, 2006), the first full state fiscal year of the new common pleas court judgeship, amounts to \$102,100.

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 Erie County Court of Common Pleas joins PERS. The state and local PERS contributions would work as follows:

- The state contributes at the rate of 13.31% of its supplemental salary amount, while the county pays 13.55% on its base share amount.
- Under that PERS contribution formula, Erie County will pay \$1,897 annually, while the state will contribute \$13,590 in FY 2006, the first full state fiscal year of the new common pleas court judgeship.

Other state costs

In addition to PERS, the state also makes contributions for other purposes, totaling approximately 8.69%, which includes 1.45% of gross salary for Medicare for all employees hired after April 1986, 0.67% for workers' compensation, 0.28% for the administration of the Central Accounting System, and approximately 6.29% in health insurance contributions. It should be noted that the state's share in health insurance contributions has been increasing and is expected to continue increasing in the future. These miscellaneous annual contributions will cost the state \$8,872 ($\$102,100 \times 8.69\%$) in FY 2006, the first full state fiscal year of the new common pleas court judgeship.

Other Erie County costs

As a result of a restructuring of court operations planned to occur within the next few years, it appears that Erie County does not anticipate the need to hire any additional staff in order to support the new common pleas court judgeship. In addition, the county's existing courthouse will be undergoing renovations as part of a long-standing expansion plan. The current law library will be located elsewhere and the clerk of courts will be relocating to another area within the existing building. With minor modifications, additional courtroom space will be refitted at little or no additional cost to Erie County.

State and Erie County cost savings for visiting judges

State cost savings

Currently, the state assumes 86.4% of a visiting judge's salary, which, in FY 2003, translated into a total of approximately \$75,000 for the state share of visiting judges' salaries in Erie County. Based on LSC fiscal staff's research, it appears that Erie County's need for visiting judges will greatly diminish once the new court of common pleas judge takes office in January 2005. Thus, the state's annual costs associated with supporting the new common pleas court judgeship in Erie County (estimated at an annual total of \$124,562 starting with FY 2006) will be somewhat offset by an estimated annual savings of up to \$75,000 in visiting judges' salaries for Erie County that would presumably no longer be incurred.

Erie County savings

Currently, the county portion of a visiting judge's salary is 13.6%. During CY 2002, Erie County expended \$11,396 for visiting judges' salaries and \$7,642 in travel expenses, for a total annual expenditure of \$19,038 in support of visiting judges. Thus, the annual county costs associated with supporting the new common pleas court judgeship in Erie County (estimated at an annual total of \$15,897 starting with FY 2005) would be more than offset by an estimated annual savings of around \$19,000 in county expenses (based on CY 2002 expenditures) related to visiting judges for Erie County that would presumably no longer be incurred. Assuming that were true, Erie County could realize a cost savings of up to \$3,000 or so annually.

Reallocation of jurisdictional responsibilities of the Erie County Court of Common Pleas

Currently, the Erie County Court of Common Pleas has three judges, one for each of its three divisions: (1) Probate, (2) General, and (3) Domestic Relations. As noted, the bill will: (1) add a new judge to the General Division, and (2) reallocate the jurisdictional responsibilities of the current judges.

As a result of these changes, outlined in Table 1 attached, the Erie County Court of Common Pleas will have four judges (one judge of the Juvenile Division and three judges of the General Division), the Domestic Relations Division will be converted into the Juvenile Division, and the judge of the Probate Division will become a judge of the General Division. Judges of the General Division will hear cases involving criminal and civil matters, as well as domestic relations and probate cases.

With regard to the reallocation of jurisdictional responsibilities, it appears, based on LSC fiscal staff's research, that:

- The current caseload in Erie County does not require a specialized division created by statute to decide cases involving probate matters. These cases will be divided amongst the three judges of the General Division.
- The annual operating expenditures of the Erie County Court of Common Pleas will not increase.
- It is possible that Erie County may actually realize some minimal cost savings in relation to the annual expenditures of its court of common pleas due to possible efficiencies created by the restructuring of existing caseloads.

(II) Additional judge and division for the Logan County Court of Common Pleas

Judicial compensation costs

Base salary

The annual salary of a judge of a court of common pleas consists of a state-paid share and a 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.

The Supreme Court of Ohio estimates that, when the new judge is added to the Logan County Court of Common Pleas for a term to begin January 2, 2005, the annual salary of a judge of a court of common pleas will be \$116,100. Of that amount, based on the 2000 Census, Logan County will have to pay \$8,281 (2000 county population of 46,005 x 18 cents per capita) as required under current law. The state will cover the remainder of the annual salary, which in FY 2006 (July 1, 2005 through June 30, 2006), the first full state fiscal year of the new common pleas court judgeship, amounts to \$107,819.

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 Logan County Court of Common Pleas joins PERS. The state and local PERS contributions would work as follows:

- The state contributes at the rate of 13.31% of its supplemental salary amount, while the county pays 13.55% on its base share amount.
- Under that PERS contribution formula, Logan County will pay \$1,122 annually, while the state will contribute \$14,351 in FY 2006, the first full state fiscal year of the new common pleas court judgeship.

Other state costs

In addition to PERS, the state also makes contributions for other purposes, totaling approximately 8.69%, which includes 1.45% of gross salary for Medicare for all employees hired after April 1986, 0.67% for workers' compensation, 0.28% for the administration of the Central Accounting System, and approximately 6.29% in health insurance contributions. It should be noted that the state's share in health insurance contributions has been increasing and is expected to continue increasing in the future. These miscellaneous annual contributions will cost the state \$9,369 (\$107,819 x 8.69%) in FY 2006, the first full state fiscal year of the new common pleas court judgeship.

Other Logan County costs

In addition to the new judge's annual salary and fringe benefits, two additional costs are expected as a result of the bill. According to the Logan County Board of Commissioners, those costs are as follows:

- (1) Annual operating expenses associated with the court of common pleas will increase in the range of \$10,000 to \$15,000.
- (2) One-time capital improvements and equipment purchases will be required totaling in the range of \$150,000 to \$250,000. These one-time costs would presumably be incurred in FY 2004, the year preceding the effective date of the new judgeship.

(III) Petitions filed with a board of elections

The bill prohibits a board of elections from invalidating a petition form filed with the board under certain circumstances. The prohibition appears to have no direct fiscal effect on the state or its political subdivision.

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Table 1
**Reallocation of Jurisdictional Responsibilities of the
 Erie County Court of Common Pleas**

<i>Division Judge</i>	<i>Current Responsibilities</i>	<i>Proposed Responsibilities</i>	<i>Effective Date</i>
Domestic Relations ¹	Domestic Relations and Juvenile	<ul style="list-style-type: none"> • Cases involving persons under 18 years of age • Cases dealing with unruly, abused, dependent, and neglected children • Jurisdiction in certain adult cases, e.g., paternity, nonsupport, and contributing to the delinquency of minors 	January 2, 2007
General Division ²	Civil and Criminal	<ul style="list-style-type: none"> • Divorce, dissolution of marriage, legal separation, and annulment • Probate • Civil and criminal cases 	January 1, 2005
Probate ³	Probate	<ul style="list-style-type: none"> • Divorce, dissolution of marriage, legal separation, and annulment • Probate • Civil and criminal cases 	February 9, 2009
General Division ⁴	Not applicable; Judgeship does not yet exist	<ul style="list-style-type: none"> • Divorce, dissolution of marriage, legal separation, and annulment • Probate • Civil and criminal cases 	January 2, 2005

1. Successors to the judge whose term expires on January 1, 2007.
2. Successors to the judge whose term expires on December 31, 2004.
3. Successors to the judge whose term expires on February 8, 2009.
4. Judge whose term begins on January 2, 2005 and successors thereof.